

June 1, 2020

***VIA ELECTRONIC FILING***

Public Utility Commission of Oregon  
201 High Street SE, Suite 100  
Salem, OR 97301-3398

Attn: Filing Center

**Re: Docket UM 2059 – PacifiCorp’s Reply Comments**

On April 22, 2020, PacifiCorp d/b/a Pacific Power (PacifiCorp) submitted its final draft 2020 all-source request for proposals (2020AS RFP). In accordance with the schedule in this proceeding, on May 22, 2020, the following parties filed comments: staff of the Public Utility Commission of Oregon (Staff), the Northwest and Intermountain Power Producers Coalition (NIPPC), Renewable Northwest, and Swan Lake North Hydro, LLC (Swan Lake). PacifiCorp respectfully provides these reply comments.

**I. INTRODUCTION**

PacifiCorp respectfully requests the Public Utility Commission of Oregon (Commission) issue an order approving the 2020AS RFP as modified to respond to certain comments of Staff, NIPPC, Renewable Northwest, and Swan Lake. The remaining issues raised by Staff, NIPPC, Renewable Northwest, and Swan Lake should be rejected for the reasons stated below. The Commission acknowledged with conditions the company’s 2019 Integrated Resource Plan (IRP) at its public meeting on May 7, 2020; however, the Commission’s written order on its decision has not been issued at the time of this filing.<sup>1</sup> PacifiCorp anticipates issuing the 2020AS RFP on July 6, 2020, provided the Commission approves the 2020AS RFP at its July 2, 2020 public meeting. By commencing the RFP process before the IRP acknowledgement decision, PacifiCorp was able to facilitate the timeline necessary to meet its resource need, incorporate any revisions that might be necessary coming out of the IRP acknowledgement deliberation, and allow the company to solicit bids that can take advantage of production tax credits (PTCs) and investment tax credits (ITCs) for the benefit of customers.

PacifiCorp appreciates the prompt and thorough review of the 2020AS RFP by Staff, PA Consulting (Oregon’s Independent Evaluator or Oregon IE), and interested parties, in addition to the robust stakeholder involvement at the April 17, 2020 stakeholder and bidder workshop and the Commission’s workshop on scoring and modeling on April 27, 2020. The 2020AS RFP, as modified, satisfies the competitive bidding rules (Rules) and should be approved. Attached to these comments are the following documents that reflect the modifications described herein:

- 2020AS RFP – Main Document – Oregon Final Draft\_REVISED
- 2020AS RFP Appendices A-N Final Draft\_REVISED

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<sup>1</sup> The company’s 2019 IRP was filed on October 18, 2019 in Docket No. LC 70.

- 2020AS RFP New Appendix E-4

## II. REPLY

Because certain of the comments of Staff, NIPPC, Renewable Northwest, and Swan Lake overlap, PacifiCorp has structured its reply comments by topic.

### A. Bid Eligibility

In its comments, Renewable Northwest states that PacifiCorp's "Minimum Eligibility Requirements for Bidders" includes a requirement that a bidder's interconnection description and capacity be consistent with the interconnection request with PacifiCorp Transmission. It claims that there are a number of reasons why a project bid may not be consistent with the associated interconnection request. Renewable Northwest argues that either PacifiCorp establish clear standards for what constitutes consistency as part of the formal 2020AS RFP or the Commission include such standards in its 2020AS RFP order.<sup>2</sup>

The 2020AS RFP will be conducted to take into account PacifiCorp Transmission's recently approved interconnection queue reform process as described in its filed and approved Open Access Transmission Tariff (OATT) revisions.<sup>3</sup> As such, bidders will be responsible to ensure that their bid(s) will be able to participate in the transition interconnection cluster study in October 2020. While not requiring the bidder to meet any interconnection study requirements to bid, PacifiCorp proposes to perform an early review of the interconnection documentation supplied with a bid to identify any discrepancies that might later disqualify the proposed project bid in the RFP from eligibility in PacifiCorp Transmission's transition cluster study in October 2020.

While the bidder assumes the risk of its project bid being able to participate in the transition cluster study, this early process step will aid in identifying any discrepancies. PacifiCorp will make an initial determination to confirm that a bid's interconnection description and capacity matches the interconnection request that the bidding project has on file with PacifiCorp Transmission by reviewing posted information on the publically available generation interconnection queue on OASIS, an executed large generator interconnection agreement (LGIA) if provided by bidder, or any interconnection study publically available on OASIS or if provided by the bidder. If the bid and the interconnection information match, the bidder has met the minimum requirement. If the bid and the posted information does not match, the bidder will be asked to provide documentation from PacifiCorp Transmission that the bid is not considered a "material modification" under PacifiCorp Transmission's OATT. PacifiCorp expects bidders to work with PacifiCorp Transmission in advance of bidding in the 2020AS RFP to evaluate whether any proposed changes in a proposed project to be bid are "material modifications" as defined in the OATT and that could therefore potentially compromise a bid's eligibility for the transitional cluster study in October 2020. In the event the OASIS information reviewed by

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<sup>2</sup> Renewable Northwest Comments at 8.

<sup>3</sup> FERC Order ER20-924-000 on May 12, 2020.

PacifiCorp is not current, the bidder will have the ability to cure the deficiency by sharing any communication with PacifiCorp Transmission that supports the alignment between the bid and the interconnection request.

## **B. Bid Fee Contract Structure**

Both NIPPC and Renewable Northwest propose modifications to the 2020AS RFP bid fee structure. NIPPC expresses its concern that different contract structures<sup>4</sup> are required to be separate bids as opposed to bid alternatives for the same physical project and would increase costs for bidders as well as limit the largest pool of resources.<sup>5</sup> Similarly, Renewable Northwest recommends different bid contract structures be considered as bid alternatives and not as separate bids, claiming it will increase the RFP participation rate by lowering the cost of bidding for developers.<sup>6</sup>

The NIPPC and Renewable Northwest modifications should be rejected for several reasons. First, PacifiCorp's current bid fee structure is consistent with its last two major RFPs which drew several thousand megawatts (MW) of bids, many submitting different contract structures as the separate bids for the same on-site project. It has been PacifiCorp's experience that bid fees have not been a deterrent to bidders supplying separate bids for a power-purchase agreement (PPA) and build-transfer agreement (BTA), and a developer who prefers to own and operate will likely bid multiple variations of a PPA including a second base bid as a PPA rather than a BTA, spreading the bid fee out across its best bid options for its project. Second, different contract structures for the same physical asset require very different evaluation methods, assumptions and risk profiles to get the bids on an "apples-to-apples" comparison for scoring and ranking. Each of those structures requires a singular look at the contract structure versus a minor adjustment to the bid such as changing the offered capacity for a project.

## **C. Bidder Use of Company Transmission Assets**

Both NIPPC and Renewable Northwest question why PacifiCorp is not providing its transmission assets to bidders to use. NIPPC claims that PacifiCorp should accept bids for off-system<sup>7</sup> build-transfer projects using third-party transmission to deliver power to PacifiCorp's system. It adds that the same treatment should also apply for PPA bids, where PacifiCorp could agree to take title to the energy at the point of interconnection to the third-party transmission system, and use PacifiCorp's existing transmission assets to economically deliver that energy to PacifiCorp's system. NIPPC recommends that the Commission should at least require PacifiCorp to explain why it cannot use its existing third-party transmission rights for any new generation bid into the 2020AS RFP. NIPPC adds that if such explanation is inadequate, the Commission

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<sup>4</sup> The RFP contract structures referenced are for a base bid as a purchase power agreement (PPA) versus build transfer agreement (BTA) versus PPA with battery energy storage system (BESS), etc.

<sup>5</sup> NIPPC Comments at 49-50.

<sup>6</sup> Renewable Northwest Comments at 6-7.

<sup>7</sup> "Off-system" is a term used for a project that proposes to interconnect to a third-party transmission system.

should require PacifiCorp to make reasonable accommodation to use PacifiCorp's existing transmission for both PPA bids and BTA bids.<sup>8</sup>

Similarly, Renewable Northwest references the RFP webpage Q & A document<sup>9</sup> and notes that PacifiCorp will not consider bids for resources connecting to the Colstrip Transmission System (CTS) because the company assumes transmission rights on the CTS will be used to deliver output from existing resources to the company's system. While acknowledging that there is uncertainty about the timing of the company's exit from Colstrip, Renewable Northwest recommends that the Commission encourage PacifiCorp to make its existing CTS rights available to bidders to the extent feasible.<sup>10</sup>

Both of these recommendations should be rejected because they have a flawed premise and are not feasible. NIPPC also makes a recommendation regarding off-system BTA bids being accepted and using the company's transmission rights on third-party providers. PacifiCorp addresses the topic of off-system BTAs later in these reply comments. Specific to the use of PacifiCorp's existing transmission rights, PacifiCorp is not making those transmission assets available to bidders because those transmission assets have been secured and committed for existing resources. Incremental resources require the submission and study of new transmission service requests, and PacifiCorp will not accept bids that are contingent on transmission service that is already reserved for other uses and may not be available until some point in the future. As to the Renewable Northwest recommendation regarding the CTS, PacifiCorp's contracted transmission service is committed to its Colstrip generation resources, which per the 2019 IRP are planned to remain in service through 2027.

## **D. Comments on Credit Requirements**

### **1. Use of non-United States (U.S.) Bank Financing**

Both NIPPC and Renewable Northwest recommend that the definition of "Qualifying Institution" in PacifiCorp's PPA not be limited to U.S. banks to allow for more financing options.<sup>11</sup>

PacifiCorp's definition of "Qualifying Institution" is the company's corporate policy for financial transactions across its business. This definition is consistent with past RFPs and is currently a defined term in all of PacifiCorp's PPAs including its qualifying facility PPAs. As a business practice, PacifiCorp allows US and Canadian banks to be used for financing options which has been shown to provide sufficient financing options for developers. PacifiCorp has not found that requiring bidders to use financing institutions domiciled in the U.S. or Canada as a restriction to securing financing for PPA projects regardless of the size of the project and has executed over 1,000 MWs of PPAs that included this same definition over the past five years.

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<sup>8</sup> NIPPC Comments at 47-49.

<sup>9</sup> The RFP webpage Q&A document is maintained on PacifiCorp's RFP webpage and contains responses to questions sent to PacifiCorp's RFP mailbox.

<sup>10</sup> Renewable Northwest Comments at 10-11.

<sup>11</sup> NIPPC Comments at 16-17; Renewable Northwest Comments at 11.

PacifiCorp will update its RFP to include Canadian banks but is unwilling to take on excess foreign risk by allowing banks from countries other than the US and Canada.

## **2. Timing of Commitment Letters**

NIPPC notes that Appendix D of the 2020AS RFP requires a bidder in their initial application to include a letter of commitment from the entity that will provide financial assurances for the bidder and then later identifies that the RFP states the letter of commitment is due when the bid is selected to the shortlist.<sup>12</sup>

PacifiCorp has revised Appendix D of the 2020AS RFP accordingly to reflect that PacifiCorp only requires a letter from the entity providing financial assurances at the bid submittal stating that it will provide financial assurances on behalf of the bidder. PacifiCorp has also clarified Appendix D to require the formal letter of commitment as attached in Appendix D is due to PacifiCorp 20 business days after selection to the initial shortlist.

## **3. Required Security Amounts**

NIPPC challenges the amount of security required for a PPA (\$200/ kilowatts (kW) after execution through commercial operation and then \$100/kW from commercial operation through the term of the PPA) as excessive and indicates that bidders will be unable to secure the amount needed for a large project unless they are large developers or have the backing of a large partner who can post a qualified guaranty.<sup>13</sup> It goes on to suggest that imposing a security requirement over the term of a PPA favors a BTA bid which only has a security requirement of \$200/kW from execution through transfer to PacifiCorp.<sup>14</sup> NIPPC recommends the Commission require a maximum performance assurance for a PPA of \$100/kW before commercial operation and \$50/kW afterwards.<sup>15</sup>

NIPPC's recommendation should be rejected because the security amounts are based on the company's credit exposure. As an initial matter, the company notes that it has not changed its security requirements from the last wind or solar RFP which resulted in several hundred MWs of wind and solar PPAs being executed with these same \$200/kW and \$100/kW amounts. These amounts reflect the potential credit exposure PacifiCorp would incur in the event the resource failed to reach commercial operation by December 31, 2024 or the bidder failed at any time during the term of the agreement. In the case of a BTA, PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2024. In either contract structure, as noted in Appendix D, PacifiCorp will also explore with a bidder, if selected, other commercial avenues to reduce security requirements, such as, but not limited to, reduction in security amounts as project development milestones are met.

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<sup>12</sup> NIPPC Comments at 33-34.

<sup>13</sup> *Id.* at 32-33.

<sup>14</sup> *Id.*

<sup>15</sup> *Id.*

## **E. Accepting Bids from Existing Projects**

NIPPC and Renewable Northwest recommend that existing projects be allowed to bid in the RFP. NIPPC recommends that PacifiCorp accept bids from existing resources or projects and not limit bids from only bidders who currently own or have legally binding rights to develop new green-field resources.<sup>16</sup> Acknowledging that PacifiCorp clarified in the RFP webpage Q&A document that expansions of existing projects may qualify as new green-field resources under certain conditions, Renewable Northwest recommends that the language of the 2020AS RFP be updated accordingly or the Commission's Order acknowledge the company's clarification.<sup>17</sup>

The company has updated the 2020AS RFP to reflect its response in the RFP webpage Q&A document regarding bids from existing resources. PacifiCorp will accept bids in the 2020AS RFP from existing operating facilities subject to the following conditions:

- the bidder cannot terminate an existing PacifiCorp contract to bid into the RFP,
- the existing contract must expire before the required on-line date as proposed in a bid but no later than December 31, 2024, and
- the bid must meet all other requirements in the RFP.

## **F. Development of the Initial Shortlist**

### **1. Pumped Storage Hydro**

In its comments, Swan Lake states that PacifiCorp should clarify that pumped storage hydro qualifies as a separate technology category in the development of the initial shortlist.<sup>18</sup>

PacifiCorp has clarified in its revised RFP draft that pumped storage hydro will be evaluated as a separate resource type in each location in its evaluation and development of the initial shortlist.

### **2. Running of Series of Risk Cases on Initial Shortlist**

Swan Lake recommends that PacifiCorp “commit to study and evaluate a full range of cases and risks” in its Initial Shortlist modeling, such as a review of different gas and CO<sub>2</sub> price-policy scenarios.<sup>19</sup>

PacifiCorp disagrees with Swan Lake's recommendation and will complete its risk evaluation on the final shortlist as outlined in the RFP scoring and evaluation section. The 2020AS RFP initial shortlist will be chosen from assets derived from the screening model evaluation process ranking a broad array of generating assets and storage up to approximately 150 percent of the 2019 IRP preferred portfolio by location and by resource type for consideration by the IRP models. Those

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<sup>16</sup> *Id.* at 46-47.

<sup>17</sup> Renewable Northwest Comments at 6.

<sup>18</sup> Swan Lake Comments at 6.

<sup>19</sup> *Id.* at 6-7.

models will then select from the resulting resource pool to establish an initial shortlist using medium natural gas and CO<sub>2</sub> price-policy assumptions.

In Phase II of the RFP, the initial shortlist represents a set of assets that can meet the “commercial-readiness” criteria, as applicable, allowing bidders to submit its project to the transition cluster study. Attempting to run multiple gas and CO<sub>2</sub> price-policy scenarios for the initial shortlist before the cluster study is not practical because (i) there is insufficient time to complete an evaluation of multiple scenarios and meet the transition cluster study cut-off date of October 31, 2020; (ii) any gas and CO<sub>2</sub> price-policy scenarios would be run on a set of projects lacking interconnection cost data and that would not be representative of the final set of shortlisted projects; and (iii) the amount allowed by location is already limited by parameters determined by the 2019 IRP preferred portfolio expansion plan as developed under the expected case representing the potential transmission upgrades that can accommodate a 2023/2024 commercial operation date.. Further, providing a broader list of asset alternatives, by location, may displace resources that would be selected under expected conditions with resources that would only be selected under *unexpected* conditions. Therefore, PacifiCorp believes such a result would be inappropriate for including in the Phase I initial shortlist evaluation and selection process.

### **3. Ranking by Capacity Contribution**

NIPPC recommends that the company “provide additional details regarding how projects will be ranked according to their capacity contribution.”<sup>20</sup>

As part of a recent presentation to Staff and staff of the Utah Public Service Commission as well as intervenors in the 2020AS RFP process, the company described the capacity contribution adjustor (CCA) model as part of the screen model process. The CCA model will calculate the capacity contribution of the proposed asset(s) and rank them as part of the screening model process:

- Capacity contribution is measured by the asset’s ability to reduce loss of load events across PacifiCorp’s system. Hourly loss of load events are from the Loss of Load Probability (LOLP) study in the 2019 IRP.
- Capacity contribution is then calculated by year over the life of the contract or asset; inclusive of solar and battery degradation.

Please note that to determine the initial short list in October 2020, this ranking, specific to the screening model process, will be used to rank the bids selected in each bubble and by each technology (at approximately 150 percent of stated values in the RFP) for determining the assets to be evaluated by the IRP models.

The CCA is calculated using the same methodology used in PacifiCorp’s 2019 IRP. Please refer to Volume II, Appendix N for details regarding how this is applied to IRP results.

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<sup>20</sup> NIPPC Comments at 51.

## **G. Minimum Bid Requirements**

### **1. Minimum Eligibility Requirement No. 8 – Current or Threatened Litigation**

In Section I of the 2020AS RFP, PacifiCorp sets forth the minimum eligibility requirements for bidders, which includes a number of reasons that PacifiCorp can reject a bidder.<sup>21</sup> Minimum eligibility requirement number eight states that a bidder can be rejected if the bidder is in current material litigation or has threatened material litigation against PacifiCorp.<sup>22</sup> NIPPC infers that this minimum requirement regarding current or threatened litigation is too onerous and will keep multiple developers out of the 2020AS RFP process.<sup>23</sup> In its comments, NIPPC identifies several conditions it believes should be included in the minimum requirement.<sup>24</sup> In the 2017R RFP, PacifiCorp modified this minimum requirement on the recommendation of the Oregon IE to include the IE's involvement in any decision to remove the bid.<sup>25</sup> PacifiCorp notes that no 2017R RFP bids were excluded as a result of this minimum requirement. NIPPC points to QFs as an example of PacifiCorp's discrimination under this requirement yet minimum eligibility requirement number eight excludes state regulatory proceedings from the definition of "material litigation."

PacifiCorp believes this RFP minimum requirement is valid and appropriate for the level of bidder participation expected; however, PacifiCorp revised its 2020AS RFP to include one of NIPPC's recommendations. Specifically, the 2020AS RFP was modified to exclude from "material litigation" matters before the Federal Energy Regulatory Commission (FERC) that seek compliance or clarification of tariffs so long as the matter is not seeking monetary damages.

### **2. Minimum Requirement No. 11 – Satisfactory Evidence**

For bids that propose to interconnect to a third-party transmission system and secure transmission service to deliver the resource output to the company in PACE or PACW, the 2020AS RFP sets forth a minimum eligibility requirement for the production of satisfactory evidence that interconnection to the third-party transmission provider or firm transmission rights are already secured in the bidder or project owner's name or readily attainable by the bidder to deliver the full output of the resource to the company on or before December 31, 2024.<sup>26</sup> NIPPC questions what is meant by "satisfactory evidence" in this minimum requirement.<sup>27</sup> Similarly, Renewable Northwest requests additional clarification be provided.<sup>28</sup>

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<sup>21</sup> 2020AS RFP at 14-15.

<sup>22</sup> *Id.*

<sup>23</sup> NIPPC Comments at 35-37.

<sup>24</sup> *Id.*

<sup>25</sup> *In the Matter of PacifiCorp, dba Pacific Power, Application for Approval of 2017R Request for Proposals*, Docket No. UM 1845, The Independent Evaluator's Assessment of PacifiCorp's Final Draft 2017R Requests for Proposal at 18 (dated Aug.10, 2017).

<sup>26</sup> 2020AS RFP at 14-15.

<sup>27</sup> NIPPC Comments at 37-38

<sup>28</sup> Renewable Northwest at 10.



In the RFP webpage Q&A document, PacifiCorp explained that the minimum eligibility requirements for off-system bidders include an unredacted interconnection system impact study with the third party transmission provider and documentation of the availability of, and request for, long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to a point of delivery on PacifiCorp's system that is acceptable to PacifiCorp, achievable by December 31, 2024. The transmission service documentation to PacifiCorp's system that PacifiCorp requests is two-fold: firm capacity is available by a third-party transmission provider and the relevant segment, and the bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from the transmission service provider to the bidder, showing evidence that a request for transmission service was in fact made, and that the transmission provider is indicating to the bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified capacity, point of receipt, point of delivery, and term. Correspondence provided by the bidder should be dated within six months of bid submittal.

PacifiCorp has revised its 2020AS RFP to provide additional detail around transmission service documentation as outlined above. Additionally for successful off-system bidders, PacifiCorp will include a specific milestone in the PPA for delivery of an executed transmission service agreement similar to its milestone for delivery of an executed interconnection agreement.

### **3. Minimum Requirement No. 29 – Site Control**

The 2020AS RFP includes a minimum requirement that allows for the rejection of a bid for failure to provide documentation of site control for a project excluding right-of-way or easements for transmission, roads, or access to the site.<sup>29</sup> Both NIPPC and Renewable Northwest request clarification as to what is meant by "site control"<sup>30</sup> and suggest PacifiCorp's RFP incorporate the definition of site control from PacifiCorp Transmission's OATT.

PacifiCorp revised its 2020AS RFP to use the definition of site control in the current PacifiCorp Transmission OATT.

### **4. Minimum Requirement No. 31 – Consistency With Interconnection Request**

The 2020AS RFP includes a minimum requirement that allows for the rejection of a bid for failure of the bid interconnection description and capacity to be consistent with the interconnection request with PacifiCorp Transmission.<sup>31</sup> NIPPC recommends that the minimum requirement be modified to reflect that PacifiCorp will not disqualify bidders for changes to a project if the bid is accompanied by an assurance from PacifiCorp Transmission that the changes do not constitute a material modification.<sup>32</sup>

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<sup>29</sup> 2020AS RFP at 16.

<sup>30</sup> NIPPC Comments at 38 (NIPPC refers to Minimum Standard No. 23 but the company understands the discussion regarding "site control" to refer to Minimum Standard No. 29); Renewable Northwest Comments at 7-8.

<sup>31</sup> 2020AS RFP at 16.

<sup>32</sup> NIPPC Comments at 42-43.

PacifiCorp accepts this recommendation and has modified the 2020AS RFP to allow bids where the bid interconnection description and capacity is not consistent with what is posted to PacifiCorp Transmission's publically available queue on OASIS so long as the bidder provides documentation that PacifiCorp Transmission has agreed that the change in the interconnection request is not a material modification as defined in the OATT.

## **H. Non-Price Scoring**

Both NIPPC and Swan Lake raise concerns regarding non-price scoring. NIPPC argues that PPA bidders should not be subjected to penalties in non-price scoring for reasonable mark-ups of the pro forma PPA, especially for mark-ups that relieve the risk that BTA bids inherently avoid since a BTA bid only has to provide redlines and comments on a pro-forma term sheet.<sup>33</sup> NIPPC also notes that even though the submission of a complete RFP response with all attachments completed is a minimum bidding requirement, the non-price score matrix assigns a five percent out of a 100 percent total score to the following criteria: "Bids provided all required RFP information pursuant to RFP instructions for PPA and BTA." NIPPC recommends that because this criteria is not needed as both a minimum requirement and as part of the non-price score matrix, this criteria be eliminated from the non-price score matrix.<sup>34</sup> Further, NIPPC claims that it is problematic that the non-price score matrix allocates ten percent of the overall score to compliance with the 2020AS RFP's requirements to submit redlines to the applicable pro-forma PPA, pro forma battery storage document, or the BTA term sheet. NIPPC recommends that PacifiCorp clarify the criteria because it is unclear if points will be deducted based on the content of the redline revisions or the completeness of the redline revisions.<sup>35</sup>

Swan Lake recommends that to ensure that project execution and performance risks that can determine project readiness are fully captured, the 2020AS RFP scoring and evaluation criteria "should factor in the supply chain, operational and environmental risks that come with battery storage technology."<sup>36</sup>

With respect to the recommendations proposed by NIPPC, PacifiCorp points out that NIPPC's comments regarding a complete RFP response is not completely accurate. Minimum requirement number two states "*Failure to meet the requirements described in this RFP and provide all information requested in Appendix C-2 - Bid Summary and Pricing Input Sheet of this RFP.*" That minimum requirements is not specific to the RFP bid document submittal which is different from the non-price scoring item number one. PacifiCorp believes the criteria and scoring in item number one provides additional resolution oriented to a bid's viability in ultimately being able to deliver what is being proposed. For clarity, PacifiCorp has renamed the non-price scoring item number 1 as "Bid Submittal Completeness" and changed the scoring criteria for the first three percent points to the following:

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<sup>33</sup> *Id.* at 3, 5.

<sup>34</sup> *Id.* at 30.

<sup>35</sup> *Id.*

<sup>36</sup> Swan Lake Comments at 4-5.

Multiple RFP bid submittal documents missing requested information = 1 percent  
One or two RFP bid submittal documents missing requested information = 2 percent  
All documents complete = 3 percent

Further, PacifiCorp has renamed the non-price scoring section currently labeled “Contract Conformance” to “Contracting Progression and Viability. There have been questions raised as to whether, and to what extent, a bidder’s comments get evaluated and addressed in the calculation of non-price score. PacifiCorp clarifies that non-price scoring points in this area are provided based on completion of a requested task, not the content of the comments and/or redline revisions. This non-price scoring area also addresses a bid’s viability, readiness, and deliverability for several reasons. First, the company wants bidders to fully review the terms of the pro-forma agreement in that they are aware of what terms the company is expecting for any bid selected. Second, if their bid submittal is contingent on the modification of one or more proposed contract term(s), the company requests to know that at this stage in the bid review. Third, if a bidder wishes to propose changes providing additional clarity, understanding or improvement of certain term(s), the company requests to know that at this stage of the process. Ultimately, PacifiCorp is looking for bidders prepared to address and complete a definitive agreement. The non-price scoring in this section will be conducted on a binary, objective basis. In other words, did the bidder complete the task of providing written comments and or redlines to the company’s proposed terms, yes or no? PacifiCorp has changed the total allocated scoring of the Contracting Progression and Viability section from ten percent to five percent. Since the content of comments and or redlines to pro forma terms are not being scored, the 5 percent removed has been added to the Project Readiness and Deliverability section (an increase from ten percent to 15 percent). The total non-price score remains at 25 percent.

In response to Swan Lake’s recommendation, PacifiCorp notes that supply chain issues exist in almost all aspects across the industry, including wind turbine generators, solar panels, transformers, and a host of other equipment necessary to build any power plant. Also, environmental risks and liability regarding the future disposal of batteries is a matter that would be dealt with in financial modeling, specific to asset retirement obligation expenses, and operational risks would also be captured in cost assumptions, based on fixed, variable and run-rate capital additions. PacifiCorp acknowledges the importance of recognizing supply chain risks in the evaluation of bids, particularly as it relates to equipment procurement plans. Accordingly, PacifiCorp has revised the non-price section Project Readiness and Deliverability in Appendix L – Non-Price Scoring Matrix to include a new category of score measured upon whether bid included discussion of supply chain risk management for all technologies not just battery storage technology.

PacifiCorp has captured all the changes noted above in a revised Appendix L – Non-Price Scoring Matrix in its revised RFP.

## **I. Price Scoring – Term Normalization**

NIPPC recommends that “the Commission require PacifiCorp make its term-normalization transparent in the 2020AS RFP and should direct the IE to require PacifiCorp to conduct an

analysis that focuses on the annuity-based analysis while not unreasonably penalizing shorter-term PPA bids through the use of generic fill costs from the [IRP].”<sup>37</sup>

The Commission should reject NIPPC’s recommendation because it is based on a faulty premise that PacifiCorp follows the practice of using “generic fill.” However, PacifiCorp does not use a “generic fill” for costs of shorter lived resources after its term expires in the process of selecting the final shortlist from the initial shortlist.

The initial stage of the company’s analysis is a static financial analysis which ingests data provided by bidders coupled with PacifiCorp standard assumptions for items such as its weighted average cost of capital (WACC) and inflation rates, applies state specific tax assumptions such as property, sales, generation, etc., and considers terminal value. The model then calculates the annual present value revenue requirement (PVRR) and nominal levelized results. A delivered or net customer benefit is derived from netting the delivered revenue requirement cost from a gross revenue requirement benefit (energy and capacity benefits provided from IRP models regionally) to determine a net customer benefit which is then adjusted by the asset’s calculated capacity contribution.

In that these results, which are expressed in \$/kW, are discounted back to a date certain for each asset reviewed, start dates and term length are effectively normalized.

## **J. Recommendations Regarding Pumped Storage Hydro**

Three parties, NIPPC, Renewable Northwest, and Swan Lake provide comments supporting the addition of pumped storage hydro to the 2020AS RFP but request additional conditions to include for long-lead time resources such as pumped storage hydro. All three indicate that a pro-forma tolling agreement or term sheet should be included in the 2020AS RFP.<sup>38</sup> The form of agreement for a pumped storage hydro project is expected to be a highly negotiated tolling agreement, and therefore a pro-forma term sheet or agreement was not planned for issuance as part of the initial release of the 2020AS RFP.

On consideration of the request for a pro-forma term sheet, PacifiCorp revised its 2020AS RFP and provides a pro-forma pumped storage hydro toll term sheet in Appendix E-4. The toll term sheet is similar to what was proposed in PacifiCorp’s capacity RFP in 2019, and is an example of the major terms and conditions under a tolling agreement that would be negotiated as part of an International Swaps and Derivatives Association (ISDA) Master Agreement with a Power Annex on PacifiCorp’s standard terms as mutually agreed or an Edison Electric Institute (EEI) Master Power Purchase & Sale Agreement on PacifiCorp’s standard terms as mutually agreed. As an alternative, PacifiCorp will accept a proposed term sheet from pumped storage hydro bidders with their proposals, and those bids will be excused from the requirement in the non-price scoring matrix to provide a mark-up or comment on the forms of agreement included in the 2020AS RFP. For PSH, providing an alternative term sheet will be considered to be in

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<sup>37</sup> NIPPC Comments at 22.

<sup>38</sup> NIPPC Comments at 44; Renewable Northwest Comments at 6; Swan Lake Comments at 8-9.

compliance with any non-price score metrics regarding redlines or comments on PacifiCorp's pro-forma.

NIPPC also suggests that a pumped storage hydro project should be allowed a development and construction time-line of five (5) to ten (10) years.<sup>39</sup>

PacifiCorp finds this to be an excessive amount of time for a project to be completed and has modified its RFP to allow five (5) years from execution of a definitive agreement as a reasonable time limit for pumped storage hydro.

Finally, NIPPC, Renewable Northwest, and Swan Lake all argue that PacifiCorp should increase the maximum contract length for pumped storage hydro projects because of their capital-intensive nature and long useful lives.<sup>40</sup>

PacifiCorp recommends that the Commission reject allowing a PPA for a term of more than 25 years for assets such as pumped storage hydro for a number of reasons. A contract term beyond 25 years comes with substantial risks to customers that cannot be known at the time of execution without including onerous reopeners to the bidder seeking certainty for financing. In addition PacifiCorp has the following concerns. First, there is concern for bidder capitalization risk over the contract tenure. Specifically, appropriate project funding could be at risk affecting plant performance over such a long duration of time. Second, long-term bidder ownership may represent PPA performance risk, even when backed by reasonable security. Third, there is a concern regarding loss of terminal value. In very-long term PPAs, the remaining life or re-use of existing infrastructure would remain with the developer although already paid for by PacifiCorp's customers. Finally, there is concern that PPA bidders are not incented to invest in asset improvements because revenue streams are fixed by PPA terms and conditions.

## **K. Pro Forma PPA**

### **1. Bidder's Liability to the Security Amount Prior to Commercial Operation Date**

Renewable Northwest recommends that the pro-forma PPA be modified to limit the bidder's liability before commercial operation to the security amount.<sup>41</sup> This clause in PacifiCorp's pro-forma PPA has been consistent across all of its past RFPs and is a standard clause in multiple executed PPA agreements based on the pro-forma. The clause should be retained to provide full protection to customers before commercial operation. It has not reduced the number of bidders in the past and is considered a standard clause in negotiations.

Therefore, PacifiCorp recommends that this clause not be modified.

### **2. Force Majeure Clause**

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<sup>39</sup> NIPPC Comments at 44.

<sup>40</sup> NIPPC Comments at 44-45; Renewable Northwest Comments at 6; Swan Lake Comments at 7-8.

<sup>41</sup> Renewable Northwest Comments at 12.

Renewable Northwest recommends that in light of the COVID-19 pandemic, PacifiCorp add the word “epidemic” to the Force Majeure clause in the pro-forma PPA.<sup>42</sup>

PacifiCorp has modified the PPA adding the term “global epidemic” to its definition of Force Majeure.

### **3. Designated Network Resource Upgrade Responsibilities**

Renewable Northwest requests clarification in the pro-forma PPA that the Company has the sole responsibility for upgrade costs associated with designation as a Network Resource if upgrade costs exceed a certain threshold.<sup>43</sup>

Once a PPA is executed, PacifiCorp’s merchant function will request to designate the PPA as a network resource, thereby making the resource eligible for network transmission service under PacifiCorp merchant’s Network Integration Transmission Service Agreement with PacifiCorp Transmission. If PacifiCorp Transmission determines that network upgrade costs are required in connection with network resource designation request, PacifiCorp will be responsible for those costs, up to a certain maximum amount as will be determined between PacifiCorp and bidder and stated in the PPA. As described in Section 4.2.2 of the pro-forma PPAs, if estimated network upgrades costs associated with a network resource designation request exceed that stated amount in a PPA, PacifiCorp will have the option to terminate the PPA. In other words, PacifiCorp is not proposing a transmission service-related network upgrade cost allocation mechanism through the PPA, but rather a termination right.

### **4. BESS Storage Availability**

Exhibit P to PacifiCorp’s pro-forma resource-plus-battery-storage PPA proposes a Guarantee Storage Availability figure of 98 percent. Renewable Northwest requests that the Guarantee Storage Availability figure be decreased from 98 percent to 95 percent.<sup>44</sup> Further, Renewable Northwest notes that the resource-plus-battery-storage pro forma PPA defines “storage price” as “the applicable price, expressed in \$/MW, for Storage Product;” however, the price per battery storage is represented in different units elsewhere. Thus, it recommends that PacifiCorp either update the 2020AS RFP to apply consistent units or clarify the reason for the application of different units.<sup>45</sup>

PacifiCorp has revised its 2020AS RFP draft to lower the battery storage availability to 95 percent.

PacifiCorp recognizes that there are inconsistencies between some price units in the 2020AS RFP and has revised the 2020AS RFP to align price units throughout the full set of documents.

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<sup>42</sup> *Id.*

<sup>43</sup> *Id.* at 11.

<sup>44</sup> *Id.* at 12.

<sup>45</sup> *Id.* at 11.

## **5. PPA Performance Guarantees**

NIPPC recommends that the PPA operations and maintenance (O&M) performance guarantees should be modified to be on an “equal basis” with BTA O&M performance guaranties, or increase the requirements specific to BTA O&M over the project life.<sup>46</sup>

PacifiCorp does not agree that performance guarantees should be modified to be ‘equivalent’ when comparing a PPA O&M and BTA O&M over a project’s life. Performance and cost recovery risk apply to both scenarios.

Regarding a PPA, the bidder prices in assumed variable, fixed and run-rate CAPEX costs for recovery as part of the PPA price. A bidder’s asset performance risk is defined and outlined in the PPA, which often includes a range of expected performance with penalties for underperformance, via replacement power or even contract termination for egregious events that are not ultimately mitigated by the bidder. Nevertheless, the bidder owns both the downside and upside risk of asset and cost performance. PPAs do not include “claw back” provisions for better than expected performance and lower than anticipated O&M capital cost and expense. The beneficiary is solely the PPA seller for the contract term.

For a BTA, PacifiCorp also owns both performance risk and O&M cost recovery risk specific to the assumptions provided to the regulator when BTAs are ultimately approved. These actual cost and performance assumptions are often reviewed and approved as part of future general rate cases that can represent disallowance risk if cost overruns are occurring and require adjustment if actual costs are lower than originally projected.

Therefore, it is PacifiCorp’s view that both PPAs and BTAs have the appropriate long term checks and balances in place to protect customer interests.

## **6. Allowed Successors and Assignees**

Renewable Northwest recommends that the PPA Section 20 be expanded to allowed successors and assignees to include Qualified Transferee where a “Qualified Transferee”, be defined as a party meeting similar or higher standards regarding experience and creditworthiness, citing that such a change will increase flexibility for bidders and allow more bids at lower cost to customers.<sup>47</sup>

PacifiCorp is unwilling to make such a modification in its pro-forma agreement as the definition suggested by Renewable Northwest is too vague and subject to disagreement between the bidder and PacifiCorp over what constitutes similar or higher standards. The existing section in the PPA has historically not been an issue or restricted bidder in securing financing, however as noted in the RFP, the pro-forma PPA is the starting point for contract negotiations and should a bidder

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<sup>46</sup> NIPPC Comments at 5-14.

<sup>47</sup> Renewable Northwest Comments at 12.

find this section troublesome, they do have the ability to redline and comment specifically on the language.

## **L. Resource Data Requirement**

NIPPC recommends PacifiCorp allow satellite data for solar as opposed to site collection.<sup>48</sup> Similarly, Renewable Northwest recommends PacifiCorp allow satellite data for solar as opposed to site collection.<sup>49</sup> In addition, Renewable Northwest recommends that the 2020AS RFP be clarified to indicate that the company will accept in-house (rather than third-party) energy performance reports for solar.<sup>50</sup>

PacifiCorp has revised its 2020AS RFP to accommodate the use of satellite data for solar resources and the use of an in-house energy performance report by bidder as long as PacifiCorp can readily replicate the results.

## **M. RFP**

### **1. 2024 Commercial Operation Date**

NIPPC notes that since filing the 2019 RFP, PacifiCorp has changed the date of expected commercial operation for this RFP from 2023 to 2024. NIPPC recommends that PacifiCorp clarify whether its 2020AS RFP still needs to move forward at its current pace and whether other modifications are required as a result of the federal legislation allowing wind projects that secure safe-harbor equipment such as wind-turbine generators or begin construction in 2020 to receive a 60 percent PTC if placed into service by year-end 2024.<sup>51</sup>

The December 31, 2024 date applies to all bids with the exception of the limited long-lead time resources such as pumped storage hydro. Bidders are expected to manage the risk and timing of utilizing any tax credits in their bid submittals.

PacifiCorp will accept all projects with a commercial operation date before December 31, 2024. Whether an interconnection service commercial operation date can be accelerated will depend heavily on whether the commercial operation dates of all of the contingent facilities and network upgrades required to provide the interconnection service have also been accelerated. Interconnection customers are encouraged to speak to PacifiCorp Transmission about the requirements of and specific circumstances associated with their interconnection agreement.

Additionally, PacifiCorp sees no need to change the 2020AS RFP schedule as recommended by NIPPC. As noted in the 2020AS RFP, the 2019 IRP was based on federal tax law that had specific reductions in PTC and ITC occurring at the end of 2023 and the IRP action plan had

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<sup>48</sup> NIPPC Comments at 50-51.

<sup>49</sup> Renewable Northwest Comments at 8-10.

<sup>50</sup> *Id.*

<sup>51</sup> NIPPC Comments at 45-46.



proposed a RFP that required a commercial operation date of December 31, 2023 in line with the maximizing those federal tax credits to the benefit of customers. Nothing has changed in the 2020AS RFP schedule from what was initially envisioned except to extend the commercial on-line date to the end of 2024. The change in the PTC actually improved the benefits to customers if projects meeting the PTC criteria were completed by 2024, thus the extension of the RFP on-line date was an agreed to change early in the RFP process noted by many stakeholder in those discussions surrounding the development of the draft 2020AS RFP. As PacifiCorp has done in its previous RFP, should tax law changes occur mid-stream in the 2020AS RFP, PacifiCorp will address a path forward for those changes with stakeholders, bidders, and commissions as necessary.

## **2. Off-System BTAs**

NIPPC has recommended that an off-system project should be allowed to be bid into the 2020AS RFP as a BTA.<sup>52</sup>

PacifiCorp disagrees for several reasons. First, a BTA that does not interconnect to PacifiCorp's system places the risk of securing a firm transmission path from the resource to PacifiCorp's system on PacifiCorp – a task that PacifiCorp would have to complete during Phase I selection process of the RFP in order to determine the viability of such a bid. Second, PacifiCorp is not willing to accept the risk to own and operate a resource in another utility's balancing area without firm long-term transmission secured.

## **N. RFP Screening Criteria**

Staff expresses concerns regarding the 150 percent capacity cap at each geographic transmission “bubble” up to a specified nameplate capacity.<sup>53</sup>

PacifiCorp has stated in recent presentations and discussions with Staff that the 150 percent capacity and technology cap is only an “indicator or marker” where PacifiCorp and the IEs for both Oregon and Utah will review the outcome of the scoring and ranking and make adjustments on whether additional bids should be considered. PacifiCorp has committed to work closely with the IEs to assure that bids are not unfairly eliminated too early in the selection process reviewing the bids received and sorted by the criteria discussed here. However, the “location capacity limit” concept discussed here was derived from PacifiCorp Transmission's high-level future transmission addition estimates, providing guidelines to what transmission capacity could be available considering only the 2023-2024 timeline unique to the 2020AS RFP. Now that FERC has approved PacifiCorp Transmission's interconnection queue reform proposal and its “transition interconnection cluster study” process, significantly increasing the number of generators to be studied associated with each location could also have the unintended consequence of creating cluster study results and costs that make generators in certain locations uneconomic in a Final Shortlist IRP least cost/least risk system portfolio. Additionally, the

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<sup>52</sup> *Id.* at 48.

<sup>53</sup> Staff Comments at 3-5.

addition of too many new generating opportunities in any one location could create a required transmission facilities expansion that would delay all resources in a specific location beyond the required 2023/2024 commercial operations date. Therefore, the Company's proposed approach was to balance these cost and schedule risks while providing for a new system portfolio of resources that is least cost and least risk.

Staff also expresses concern regarding alignment of initial shortlist and final shortlist preferred portfolio specific to a BTA wind bias and potentially a negative bias toward solar assets. Further, Staff states "Staff is concerned that the screening model could introduce utility bias into the RFP process. Past experience indicates that a utility like PacifiCorp is more likely to find a wind resource developed under a BTA, eventually generating PTCs, as potentially beneficial to the utility and thus more attractive than a solar resource from which the utility purchases energy under a PPA. In this example, a screening model that screens out solar resources but allows wind resources to proceed to the IRP models might not be arbitrary. It might benefit the utility, while it might or might not benefit ratepayers." <sup>54</sup>

PacifiCorp's financial modeling of wind versus solar or BTA versus PPA has no intended bias other than to reflect how benefits from bids flow through to customers. As provided in testimony from Mr. Rick Link as part of docket UM 1845 regarding the modeling of PTCs between a PPA and BTA was explained as follows:

*...the Company applied PTC benefits for applicable bids (BTAs and benchmark-EPC bids) on a nominal basis rather than on a levelized basis. This approach better reflects how the federal PTC benefits for these bids will flow through to customers and aligns the treatment of federal PTC benefits in the system modeling results extending out through 2036 with the nominal revenue requirement results extending out through 2050. It also ensures the [2017R RFP] bid selections from the SO model more accurately reflect the difference in how BTA and benchmark-EPC bids are expected to impact customer rates.*

## **O. Transition Cluster Process**

Staff, NIPPC and Renewable Northwest all provided comments on PacifiCorp transmission's transition cluster study process. Staff recommends a later bid eligibility cut-off date to allow a more diverse set of bids into the RFP, noting that extending the bid eligibility cut-off date for interconnection applications received by PacifiCorp transmission to April 1, 2020 would provide a bidding opportunity to another 1974 MWs, while extending the cut-off date to May 1, 2020 would allow 5,947 MWs.<sup>55</sup> NIPPC recommends that PacifiCorp allow projects who missed the January 31, 2020 transition cluster cut-off date and participate in the following April 2021 interconnection cluster study process to be allowed to bid in the 2020AS RFP and be treated on an equal basis with projects that met the January 31, 2020 cut-off date.<sup>56</sup> Renewable Northwest puts forth an alternative process to consider, allowing bidders who did not meet the January 31,

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<sup>54</sup> *Id.* at 5.

<sup>55</sup> Staff Comments at 6.

<sup>56</sup> NIPPC Comments at 39-42.

2020 cut-off date to bid into the 2020AS RFP and continue through the RFP evaluation process to the final shortlist providing interconnection cost “estimates” for final shortlist modeling and have any contracts contingent on a network upgrade threshold or the bidder assuming all the risk of any upgrade costs when ultimately determined by PacifiCorp transmission.<sup>57</sup>

PacifiCorp recommends that none of the alternate cut-off dates or RFP process be considered for the 2020AS RFP because that would create a timing mismatch between the queue processing requirements and the RFP requirements. PacifiCorp in its role as RFP administrator is responsible for the issuance, management and results of the 2020AS RFP. The 2020AS RFP process and schedule were developed to ensure the maximum number of parties would have the opportunity to submit bids that align with PacifiCorp’s 2019 IRP action plan. The only way to accomplish this goal is to create a structure where bids can be meaningfully compared in the required timeframe, which will not be the case under any “apples-to-oranges” construct where some bids have definitive interconnection studies or agreements and some bids provide interconnection estimates. Indeed, the very purpose of delaying PacifiCorp’s review of bidder interconnection information until after the October transitional cluster study is complete is to allow for an “apples-to-apples” comparison between bids that may hold definitive interconnection materials today and those bids that will not have a study until the transition cluster study is complete. Further delaying PacifiCorp’s ability to review some bidders’ final interconnection materials to some future 2021 date – presumably not until the fall of 2021 when the first prospective cluster study is completed, which is well beyond the 255 days in the current RFP – will: (1. ) put significant pressure on developers’ ability to complete their projects prior to certain federal tax credits expiring; and (3) is approximately a month after the Commissions’ acknowledgment is requested on the RFP final shortlist in the current schedule, thus further constricting the construction schedule for any selected projects and risking PacifiCorp’s December 31, 2024 date. In addition, it is unclear how any bidder could provide a reasonable estimate without knowing the results of the initial transition cluster study—a study that will depend heavily on which large, FERC-jurisdictional generators are able to demonstrate commercial readiness in October 2021. For all these reasons, the RFP must align with PacifiCorp transmission’s queue processing timing requirements, conditions, and criteria.

Specific to Staff’s comments, the current cut-off date of January 31, 2020 will allow over 40,000 MW of eligible resources to bid into the RFP, providing a significant pool of resources available to PacifiCorp for evaluation and selection.

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<sup>57</sup> Renewable Northwest Comments at 3-5.

### **III. CONCLUSION**

PacifiCorp's 2020AS RFP is will result in the procurement of least-cost, least-risk resources consistent with the public interest, PacifiCorp respectfully requests that the Commission issue an order approving the company's solicitation capable for up to approximately 1,823 MW of new proxy solar resources co-located with 595 MW new proxy battery energy storage system capacity and 1,920 of new proxy wind resources.

If you have questions about this filing, please contact Cathie Allen, Manager, Regulatory Affairs, at (503) 813-5934.

Sincerely,

s/Michael Wilding

Michael Wilding  
Director, Regulation  
Pacific Power & Light Company



**2020 All-Source Request for Proposals**  
**Resources**  
**(2020AS RFP)**

**ISSUED: Monday July 06, 2020**

**DUE DATE: Monday August 10, 2020 5:00 PM PPT**

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**2020AS RFP Responses:**

**PacifiCorp**  
**RFP 2020AS**  
**Resource & Commercial Strategy**  
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**Portland, Oregon 97232**

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## SECTION 1. OVERVIEW

### A. PURPOSE AND SCOPE OF RFP

PacifiCorp established an action item out of PacifiCorp's 2019 Integrated Resource Plan (IRP) to conduct an all-source RFP in 2020 (2020AS RFP). The 2019 IRP preferred portfolio includes 1,823 megawatts (MW) of new proxy solar resources co-located with 595 MW of new proxy battery energy storage system (BESS) capacity and 1,920 MW of new proxy wind resources by the end of 2023.<sup>1</sup> The 2020AS RFP seeks to secure least-cost, least-risk resources consistent with the intent of the company's IRP.<sup>2</sup>

At the time the 2019 IRP was filed, PacifiCorp assumed new wind resources would need to achieve commercial operation by the end of 2023 to be eligible for the 40 percent production tax credit (PTC). Similarly, PacifiCorp assumed new solar resources collocated with BESS resources would need to achieve commercial operation by the end of 2023 to be eligible for the 30 percent investment tax credit (ITC). After the 2019 IRP was filed, federal legislation was passed extending the PTC to allow projects that secure safe-harbor equipment such as wind-turbine generators or begin construction in 2020 to receive a 60 percent PTC if placed into service by year-end 2024. Consequently, the 2020AS RFP will consider bids that can achieve commercial operation before or on December 31, 2024.<sup>3</sup>

In addition, PacifiCorp will accept bids from pumped storage hydro (PSH) resources requiring longer lead time to develop and construct that places the project completion within a reasonable period of time beyond the required 2020AS RFP December 31, 2024 commercial operation date (COD).<sup>4</sup>

Under the 2020AS RFP, PacifiCorp is seeking proposals for competitively priced new and existing resources capable of interconnecting with or delivering to PacifiCorp's transmission system in its east or west balancing authority areas (PACE and PACW, respectively), targeting the specific topology and resource mix as shown in **Appendix H – 2020AS RFP Locational Capacity Limits**.

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<sup>1</sup> The figures for solar and wind exclude resource capacity added to meet assumed customer preference targets that are included in the 2019 IRP preferred portfolio.

<sup>2</sup> While renewable resources have the possibility to provide renewable portfolio standard (RPS) compliance benefits, RPS-compliant resources are not an explicit goal of the RFP process and will not be prioritized.

<sup>3</sup> It is recognized that at the time this RFP is released, the extension of PTC eligibility to 2024 will generally only benefit wind resources. The 30 percent ITC for solar and solar collocated with BESS capacity is expected under current legislation to sunset at the end of 2023 and bidders with these resource type should prepare their bid accordingly.

<sup>4</sup> A review of PacifiCorp Transmission's interconnection queue on OASIS showed pumped storage and nuclear as the only long-lead time resources having accepted interconnection requests on or before January 31, 2020. Wind and solar or solar collocated with a BESS that have CODs beyond 2024 will not be accepted under this criteria as they have a shorter build cycle and the ability to bid into the next RFP issued by PacifiCorp.

PacifiCorp is not bound to accept any bids, and may cancel this solicitation at any time and at its own discretion.

## **B. RESOURCE AND TRANSACTION TYPE**

Projects submitted into the 2020AS RFP must have a minimum net power production capacity greater than 20 MW(AC)<sup>5</sup> with the exception of qualifying facilities (QFs) under the Public Utility Regulatory Policies Act (PURPA). Per OAR 860-089-250(4), QFs are allowed to participate in the 2020AS RFP if the project's nameplate capacity is greater than the state standard avoided cost schedule threshold as shown below.

<b>State</b>	<b>Standard Avoided Cost MW Threshold (MW)</b>
California	Solar - 3.0 MW / All other resource types - 10.0 MW
Idaho	Wind and solar – 0.10 MW / All other resource types – 10.0 aMW
Oregon	Solar - 3.0 MW / All other resource types - 10.0 MW
Utah	Renewable – 3.0 MW / Non-renewable 1.0 MW
Washington	All resource types – 5 MW
Wyoming	Hydro – 5.0 MW / All other resource types – 1.0 MW

PacifiCorp is accepting qualified proposals for new or existing resources from bidders who currently own or have legally binding rights to develop new green-field resources or operate existing resources, are discrete generating assets, are not located behind any load served by a utility or net-metered, and can be individually metered and remotely monitored.

PacifiCorp will consider proposals for the following transaction structures:

1. Build-transfer transaction whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the asset to PacifiCorp in accordance with the terms of a build-transfer agreement (BTA). Under this transaction structure, the bidder will be responsible for all development, design, equipment supply, construction, commissioning, and performance testing, and will be required to design and construct the resource in conformance with PacifiCorp's specifications. PacifiCorp will be acquiring a project's assets only under the BTA and will not accommodate BTAs that involve the ultimate transfer of a project company to PacifiCorp.
2. Power-purchase agreement (PPA) with exclusive ownership by PacifiCorp of any and all capacity and environmental attributes associated with all energy generated with terms from a minimum of 15 years up to 25 years. PacifiCorp provides two forms of PPA; resource only and BESS collocated with a renewable resource. Collocated resource with a BESS must have agreements that are the same term length.
3. Control of the output of a BESS as a standalone BESS through a Battery Storage Agreement (BSA up to a term of 25 years.

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<sup>5</sup> All project size in the 2020AS RFP will be referenced in MW AC unless specifically noted.

4. Pumped storage hydro (PSH) will be transacted through an individually negotiated tolling agreement up to a term of 25 years.

### C. ACCEPTABLE RFP TYPES BY RESOURCE CATEGORY AND BID STRUCTURE

PacifiCorp is seeking the following bid types and categories of resources through the identified bid structures, able to deliver to PacifiCorp's transmission system in PACE and PACW as summarized in Table 1 and outlined in more detail in Sections 4.C and 4.D.

**Table 1 – 2020AS RFP Bid Types by Category of Resource**

Resource Type	Bid Structure Accepted		
	PPA	BSA	BTA
Renewable	X		X
Renewable Plus Battery Storage	X		X
Non-Renewable	X		X
Standalone Battery Storage		X	X
Pumped Storage Hydro		TOLL	X

PacifiCorp will accept bids in the 2020AS RFP from existing operating facilities subject to the following conditions:

- Bidder cannot terminate an existing contract to bid into the RFP
- The existing contract must expire before the required on-line date as proposed in a bidder's bid but no later than December 31, 2024.
- Bid must meet all other requirements in the RFP

### D. OPERATING CAPABILITIES OF THE RESOURCE

Resources and BESS identified in Table 1 that are bid as a BTA must meet both the common technical specifications and the resource specific technical specifications defined in **Appendix A – Technical Specifications**. All bids should comply with technical and operating specifications for Automated Generation Control (AGC) for automated signal operation and Automatic Voltage Regulation functionality. Bidders should review and understand the North America Electric Reliability Corporation (NERC) guidelines regarding technical requirements and modeling for renewables.<sup>6</sup> A more detailed description of operating requirements and specifications is included in **Appendix A - Technical Specification** by resource type.

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<sup>6</sup> Please refer to NERC, Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources, September 2019.

## **E. ENERGY STORAGE SYSTEMS**

PacifiCorp is seeking energy storage systems in two categories; BESS and non-battery energy storage systems (i.e., pumped storage, compressed air, etc.). While the 2019 IRP chose only BESS in its preferred portfolio, PacifiCorp is including other types of storage systems in its 2020AS RFP. All bids that are standalone storage or that incorporates a BESS with a proposed renewable resource must provide a description of the plant communications and control plan. The plan shall include a description and diagrams (as applicable) that demonstrate how bidder will provide BESS systems data, including state of charge, power charge/discharge status, and asset health indicators (temperature, HVAC alerts, emergency status, etc.) as well as BESS system control, including limitation of charging only from renewable energy production, if applicable, charge/discharge scheduling, and station service load.

BESS bidders will also be required to provide an emergency response plan and a remediation plan in the event of battery accidents.

### **1. Battery Energy Storage System.**

PacifiCorp is requesting bids from a BESS collocated with a renewable resource or as a standalone system. The BESS can be DC or AC grid connected. A collocated BESS bid as a BTA must conform to the both the resource specifications and BESS specifications in **Appendix A - Technical Specification** and be operational on or before December 31, 2024. PacifiCorp is battery chemistry and technology agnostic. Bids should ensure the BESS complies with Table 1 and bids provide all the information required in **Appendix C-2 - Summary and Pricing Input Sheet**. BESS bids must identify the collocated renewable energy resource if applicable, and provide a detailed description of any shared facilities and/or equipment with the associated renewable resource. The bid description of the BESS should, at a minimum, include the following items (see **Appendix C-2 - tab 4** for more details regarding information requested specific to BESS). PacifiCorp reserves the right to request any additional information from Appendix C-2 not listed below:

- Type of storage facility
- Manufacture, model, and chemistry of battery
- Manufacture and model of control system for battery
- Manufacture and model of energy management system
- Manufacture and model of inverters
- DC or AC grid connected
- Discharge capacity at point of delivery (MW)
- Storage capacity at point of delivery (MWh)
- Cycling capability and limitations
- Depth of charge capabilities and limitations
- Round trip efficiency (%)
- Annual degradation by contract year (%)
- Expected capacity augmentation by contract year (%) (if applicable)
- Guaranteed storage annual availability (%)
- Option for battery charging from grid

Table 2 summarizes PacifiCorp's 2020AS RFP guidelines regarding battery installed capacity and storage duration. These guidelines should be used by bidders in preparing their bid and bid alternatives as described in Section 3.F.

**Table 2. RFP Capacity and Storage Duration Guidelines for BESS bids**

Battery Type	Minimum Installed Capacity (% of Collocated Renewable Resource)	Storage Duration (hours) at Guaranteed Capacity	
		Minimum	Maximum
Lithium-Ion	25%	2	6
Flow batteries	25%	2	12
All other types	25%	2	N/A

PacifiCorp is requiring full dispatch control of the collocated or standalone battery (charge and discharge) as addressed in contractual terms in the applicable appendices to this 2020AS RFP.

## 2. Pumped Storage Hydro Systems.

PacifiCorp is accepting PSH bids in its 2020AS RFP due to the long-lead time for development and construction of PSH projects. While a PSH is considered a long-lead time bid with a on-line date beyond December 31, 2024, PacifiCorp suggests that a reasonable on-line date for PSH is five years from execution of a contract with the PSH which puts the expected on-line date by December 31, 2026. PSH opportunities are emerging within the footprint of PacifiCorp's system and may offer unique capacity and operating flexibility. To facilitate the participation of PSH bids, PacifiCorp will assess the merits of PSH bids consistent with the 2020AS RFP scoring and modeling process and include them in the Phase I process to determine eligibility for selection to the initial shortlist. Due to the unique operating characteristics of a PSH, it is recognized that the PSH will be an individually negotiated agreement. For the purpose of this RFP, PacifiCorp has included a pro-forma termsheet that contains the major terms and conditions expected under a tolling arrangement, however PSH bids will also be allowed to submit their own form of a tolling agreement.

## F. BENCHMARK RESOURCES AND AFFILIATE TRANSACTIONS

PacifiCorp is not submitting any self-build ownership proposals (benchmark resources) in the 2020AS RFP and is not accepting any bids from any PacifiCorp affiliate.<sup>7</sup>

## SECTION 2. PROCEDURAL ITEMS

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<sup>7</sup> Unless directed by the Commission otherwise, a PacifiCorp "affiliate" shall be limited to Berkshire Hathaway Energy Company and its subsidiaries.

PacifiCorp will evaluate proposals conforming to the RFP minimum eligibility requirements based on the following:

- Customer cost defined as the revenue requirement associated with the bid,
- Deliverability of the resource, including site control, development maturity and status, developer's experience, and demonstration that the project's commercial operation date will be achieved by December 31, 2024,
- Transmission access and interconnection status in conformance with the 2020AS RFP requirements,
- Compliance with and verification of major equipment availability defined in **Appendix A - Technical Specification**.
- Ability to provide acceptable credit security as determined per **Appendix D – Bidder's Credit Information**.
- Conformance with the terms attached in **Appendix E-2 - PPA Documents, Appendix E-3 – BSA, or Appendix F-2 – BTA Term Sheet**, as applicable for the individual bid.

Bidder is responsible for all bidder fees and all costs and expenses of any response to PacifiCorp in connection with its proposal for the 2020AS RFP, including providing additional information, the success fee, if project is selected to the final shortlist, and bidder's own expenses in negotiating and reviewing any documentation. PacifiCorp will have no liability arising out of or relating to PacifiCorp's rejection of any proposal, or bidder's reliance upon any communication received from PacifiCorp, for any reason.

#### **A. INDEPENDENT EVALUATOR**

PacifiCorp is conducting the 2020AS RFP under the oversight of two independent evaluators (IE). An IE has been retained by PacifiCorp on behalf of the Public Utility Commission of Oregon (Oregon Commission) as required by Oregon Administrative Rules § 860-89-200<sup>8</sup>. The Utah Public Service Commission (Utah Commission) has also retained their own IE consistent with Utah guidelines in Utah Admin. Code R746-420. Both IEs will be involved in development of the RFP and provide oversight to ensure the RFP process is conducted in a fair and reasonable manner. Potential bidders are invited and encouraged to contact the Oregon or the Utah IE with questions or concerns. More information concerning the role of the IE is provided in **Appendix M - Role of the Independent Evaluator** for both Oregon and Utah.

Contact information for each IE is as follows:

<b>Independent Evaluators:</b>
OREGON – PA Consulting 2020AS_IE@PAConsulting.com

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<sup>8</sup> Oregon's competitive bidding rules were adopted in Public Utility Commission of Oregon Docket AR 600, *In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources*, Order 18-324 (August 30, 2018).

<b>Independent Evaluators:</b>
Charles Janecek - 303.250.5060
UTAH – Merrimack Energy MerrimackIE@merrimackenergy.com Wayne Oliver – (781) 856-0007

## **B. PACIFICORP RFP ORGANIZATION AND ROLES**

The RFP organization and roles were established by PacifiCorp before issuance of this RFP. The RFP organization is described for their primary roles and responsibilities in **Appendix N – PacifiCorp’s Organization for RFP**.

## **C. FERC’S STANDARDS OF CONDUCT**

Each bidder responding to this RFP must conduct its communications and activities in recognition of PacifiCorp’s obligation to comply with the Federal Energy Regulatory Commission (FERC)’s Standards of Conduct for Transmission Providers (see **Appendix I - FERC’s Standards of Conduct**), which require the functional separation of PacifiCorp’s transmission and merchant functions. Interconnection with or transmission service on PacifiCorp’s system is arranged through PacifiCorp’s transmission function, and not PacifiCorp’s merchant function that administers this RFP. Similarly, with respect to any necessary interconnection and transmission arrangements on a third-party transmission system, the bidder must coordinate with and refer to the requirements of the third-party transmission provider. Accordingly, as part of a bid submittal, bidders will be requested to execute a customer consent form provided in **Appendix J - PacifiCorp Transmission Waiver** that enables PacifiCorp’s merchant function to discuss the bidder’s interconnection and/or transmission service application(s) with the applicable interconnection or transmission service provider.

## **D. CONFIDENTIALITY**

As described in Section 3.B. below, before bid submittal, bidders will be required to execute a confidentiality agreement in the form provided in **Appendix G-1 - Confidentiality Agreement**. As provided in the form of confidentiality agreement, PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with law or regulatory order, as long as such confidential treatment does not adversely impact a regulatory proceeding. It is the bidder’s responsibility to clearly indicate in its proposal what information it deems to be confidential and subject to the terms of the executed confidentiality agreement. Bidders may not mark an entire proposal as confidential, but must mark specific information on individual pages to be confidential in order to receive confidential treatment for that information under the terms of the executed confidentiality agreement.

All information supplied to PacifiCorp or generated internally by PacifiCorp is and will remain the property of PacifiCorp. To the extent bidder receives information from PacifiCorp, bidder must maintain the confidentiality of such information and such information may not be provided to any third party before, during or after this RFP process unless required by law or regulatory order.

PacifiCorp uses its internal, proprietary models in its bid evaluation process. These models, the assumptions used in these models, and the bid evaluation results will not be shared with entities

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external to PacifiCorp or its consultants, including bidders, unless required to support regulatory proceedings, required by law, or required by applicable regulatory order.

## **E. PACIFICORP'S RESERVATION OF RIGHTS AND DISCLAIMERS**

PacifiCorp reserves the right, without limitation or qualification and in its sole discretion, to reject any or all bids, and to terminate or suspend this RFP in whole or in part at any time. Without limiting the foregoing, PacifiCorp reserves the right to reject as non-responsive any or all bid proposals received for failure to meet any requirement of this RFP. PacifiCorp further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any bidder for any reason, including, but not limited to, change in regulations or regulatory requirements that impact PacifiCorp, and any evidence of collusive bidding or other anticompetitive behavior or conduct of bidders.

Bidders who submit bid proposals do so without recourse against PacifiCorp, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent or representative of any of them, for any modification or withdrawal of this RFP, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP.

## **SECTION 3. GENERAL INFORMATION AND LOGISTICS**

### **A. SCHEDULE**

The proposed 2020AS RFP schedule is shown below.

<b>Milestone</b>	<b>Date</b>	<b>Day</b>
RFP Issued to market	07/06/2020	Monday
Bidder workshop	07/09/2020	Thursday
IE joint discussion on models and assumptions	07/10/2020	Friday
Notice of Intent to Bid due	07/20/2020	Monday
Last day for RFP questions to IEs for Q&A	08/03/2020	Monday
RFP bids due	08/10/2020	Monday
Bid eligibility screening completed	08/17/2020	Monday
Initial Shortlist (ISL) scoring/ranking completed	09/04/2020	Friday
IRP modeling generates ISL	10/05/2020	Monday
IEs' review of ISL completed	10/09/2020	Friday
PacifiCorp notifies bidders selected to ISL	10/14/2020	Wednesday
ISL bidders notify Pac Trans to enter cluster study	10/15/2020	Thursday
Capacity factor and BESS evaluation on ISL started	10/19/2020	Monday
Begin contract review and negotiations with ISL (subject to Oregon waiver)	10/19/2020	Monday
Capacity factor and BESS evaluation on ISL completed	01/31/2021	Sunday
Complete contract negotiations on near final draft with bidders	03/31/2021	Wednesday
Cluster study results posted to OASIS / bidders notified by Pac Trans	04/15/2021	Thursday
Bidders provide ISL price update including cluster study results	04/22/2021	Thursday
Submit updated bids to IRP modeling	04/27/2021	Tuesday
IRP modeling generates Final Shortlist (FSL)	05/20/2021	Thursday
Final Shortlist (FSL) selected	05/25/2021	Tuesday
IEs' review of FSL Completed	06/01/2021	Tuesday
Complete negotiation of T&Cs for resource agreements	10/15/2021	Friday



Milestone	Date	Day
Execute Agreements	11/08/2021	Monday
Winning Bid Guaranteed COD	12/31/2024	Tuesday

The schedule above is subject to change. Actual dates may vary for reasons that include, but are not limited to, negotiation time, availability of key personnel, due diligence, the evaluation or negotiation of any issues unique to any bid, bidder, or project, bidder's responsiveness in contract negotiations, PacifiCorp's evaluation of bidder's creditworthiness, and actions required by any third parties. PacifiCorp is not responsible for any costs or damages to bidders alleged to be attributable to changes in the RFP schedule stated above. PacifiCorp is not obligated to develop a shortlist of bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

**Bidders should note the condensed schedule and be available for calls and meetings with PacifiCorp and the IE regarding bid submittals and be responsive to questions in a timely manner. PacifiCorp and the IE will attempt to complete the bid review and screening as efficiently as possible.**

**BIDDERS WILL BE REQUIRED TO RESPOND TO BID QUESTIONS AND CURE ANY BID DOCUMENT DEFICIENCIES WITH 24 HOURS OF BID REVIEW AND REQUESTS.**

## **B. 2020AS RFP BIDDER CONFERENCE**

A bidder conference will be held on **Thursday July 09, 2020**. The bidder conference will cover the 2020AS RFP structure, deliverables, schedule, requirements and energy performance analysis. Specific time will be allocated to cover interconnection and transmission service matters. The bidder conference is scheduled for three (3) hours at the location and start time below and will also be set up as a webinar for remote attendance. Additional details on the bidder conference will be posted to the PacifiCorp website.

Day: Thursday  
Date: July 09, 2020  
Time: 1:00 pm Mountain (12:00 pm Pacific)  
Location: Skype Meeting (Details to be provided on PacifiCorp RFP webpage)

## **C. INTENT TO BID FORMS**

Parties that intend to submit bids for consideration in this RFP process must return the following completed documents<sup>9</sup> in an electronic copy to the following PacifiCorp and IE's email addresses, no later than **5:00 p.m. Pacific Prevailing Time on Monday July 20, 2020**, to be accepted as a bidder in the 2020AS RFP:

1. **Appendix B-1 – Notice of Intent to Bid Form**
2. **Appendix D - Bidder's Credit Information**

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<sup>9</sup> Documents not completed may be grounds for disqualification of a bid.

### 3. Appendix G-1 - Confidentiality Agreement

Email: RFPAllSource@PacifiCorp.com  
2020AS\_IE@PAConsulting.com  
MerrimackIE@merrimackenergy.com

After PacifiCorp receives the Intent to Bid form, an acknowledgment of receipt and directions for bid submittal fees will be provided.

### D. SUBMISSION OF QUESTIONS

Interested parties and bidders may submit questions related to this solicitation, and PacifiCorp will respond in a timely fashion. All information, including pre-bid materials, questions, and PacifiCorp's response to questions, will be posted on the PacifiCorp website at <https://www.pacificorp.com/suppliers/rfps/all-source-rfp.html>.

Email - Communications with the IE or PacifiCorp can also be emailed directly at the following email addresses:

Oregon IE: PA Consulting: 2020AS\_IE@PAConsulting.com

Utah IE: Merrimack Energy: MerrimackIE@merrimackenergy.com

PacifiCorp: RFPAllSource@PacifiCorp.com

### E. SUBMISSION OF BIDS

Proposals must be submitted with a cover letter that includes all signatures necessary to approve and submit bidder's proposal by one or more representatives having necessary corporate or other organizational authority.<sup>10</sup> Additionally, the cover letter must also include the following declaration:

"[Insert legal name of Bidder] (the "Bidder") acknowledges receipt of PacifiCorp's 2020AS All Source Request for Proposals on or about July 6, 2020. Bidder makes the following representations to PacifiCorp:

1. All of the statements and representations made in this proposal are true to the best of Bidder's knowledge and belief;

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<sup>10</sup> If the proposal is being bid under a partnership, the partnership must be fully established, including a legally binding agreement among the partners (not a letter of intent), before submission of a proposal under this RFP. Each partner must be bound to comply with the terms of this RFP and the proposal. The signature of each partner must be included on the cover letter, along with their contact information (i.e., company name, phone number, email address, etc.). The proposal must include evidence documenting the legal and binding partnership.

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2. Bidder possesses a legally binding agreement(s) or option(s) to possess all necessary land rights for sufficient site control to undertake development of the project as set forth in the proposal, including ingress and egress to and from the site;
3. Bidder possesses or will possess all necessary water rights for construction and ongoing maintenance of the project through the term of the agreement;
4. Bidder has obtained, or can demonstrate how it will obtain, all necessary authorizations and approvals that will enable Bidder to commit to the terms provided in this proposal;
5. Bidder has reviewed the entirety of this RFP including all relevant appendices, acknowledges its terms, and agrees to comply with the processes stated within;
6. Bid pricing is based on the terms of the transactions documents in **[Appendix E-2 - PPA Documents] [Appendix E-3 - BSA] [Appendix F-2 - BTA Termsheet]**,<sup>11</sup> as reviewed and, if applicable, revised by bidder; and
7. This proposal is a firm and binding offer through April 22, 2021

Three forms of bid submittal are required: 1) a single hard copy with cover letter signed by an officer of the bidding company; 2) electronic copy via USB flash drives; and 3) an electronic copy via email. The hard copy as well as the USB flash drives should be delivered by express, certified or registered mail, or hand delivery to the following address:

**PacifiCorp 2020AS RFP**

Attention: Resource & Commercial Strategy  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232

The electronic copy via email should be sent to:

PacifiCorp at: RFPAllSource@PacifiCorp.com

Oregon IE at: 2020AS\_IE@PAConsulting.com

Utah IE at: MerrimackIE@merrimackenergy.com

PacifiCorp will respond with a receipt email.

**Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on Monday August 10, 2020. PacifiCorp will not accept any late proposals. Any bids received after this time will be returned to the bidder unopened.**

**All bid proposals shall have a bid validity date through 5:00 pm PPT, Thursday April 22, 2021.**

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<sup>11</sup> Bidder to select appropriate reference appendix for its submitted bid.

Bids selected to the initial shortlist will be asked to update their bid prices as part of Phase II at the conclusion of PacifiCorp Transmission's transition interconnection cluster study expected in April 2021.

Bidders must submit complete proposals that include the following items:

1. Via mail, one (1) signed original hard copy of each bid with all required forms including all exhibit sheets.
  - a. The hard copy must include the required cover letter with an original signature of an officer of the bidding company
  - b. The bid must be submitted prepared on standard 8 1/2 inch by 11 inch recycled paper, duplex printed (2 sided).
2. Via mail, two (2) USB flash drive(s) with all required forms including all appendices and exhibit sheets saved onto each USB flash drive.
  - a. The electronic submittal should include any required forms in PDF format and Microsoft Excel format, as required, including all appendices and exhibit sheets.
3. Via email, one (1) electronic copy of the bid,<sup>12</sup> sent to the RFP mailbox address provided, which should include any required forms in PDF format and Microsoft Excel format, as required, including all appendices and exhibit sheets.
4. Appendix sheets in the bid submission should include the requirements listed in Section 4 of this RFP document and **Appendix B-2 - Instructions and Information Required in Bid Proposals**, including:
  - a. Technical submittal requirements from **Appendix A - Technical Specifications**,
  - b. The main bid document as organized in **Appendix B-2 - Instructions and Information Required in Bid Proposals**,
  - c. An excel version and also PDF print outs of the required tabs from **Appendix C-2 – Bid Summary and Pricing Input Sheet**,
  - d. Redlines or comments to the contract documents reflecting the resource type and structure contained in the bid:
    - i. **Appendix E-2 – PPA Documents**
    - ii. **Appendix E-3 – BSA Documents**
    - iii. **Appendix E-4 – PSH Documents**
    - iv. **Appendix F-2 – BTA Term Sheet**

## **F. PACIFICORP'S POSTING OF SECURITY**

PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

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<sup>12</sup> Large bid submittals may require being sent in multiple emails due to 25 MB size limitation of email transmittals.

## G. BID EVALUATION FEES

Bidders must pay a fee (Bid Fee) of \$10,000 for each base proposal and two (2) alternatives submitted. Bidders will also be allowed to offer up to three (3) additional alternatives to the base proposal at a fee of \$3,000 per alternative. Alternatives will be limited to different contract terms, in-service dates, and/or pricing structures. A bidder may submit more than one base proposal. PacifiCorp's objective in offering bidders the opportunity to propose multiple alternatives to any base proposal is to allow PacifiCorp to optimize the benefits from the solicitation by combining proposals of different sizes, terms and in-service dates. Table 3 provides bid fee guidance specific to resource type and structure.

**Table 3. Bid Fee Guidelines**

Resource	Base Bid	Bid Alternatives
Wind	PPA, BTA, or PPA/BTA combinations are separate base bids. BTA bids only accepted for projects directly interconnecting with PacifiCorp's system.	Limited to different contract terms, in-service dates, and/or pricing.
Solar	PPA or BTA are separate base bids. BTA bids only accepted for projects directly interconnecting with PacifiCorp's system.	Limited to different contract terms, in-service dates, and/or pricing
Collocated BESS	PPA or BTA collocated with BESS. PPA or BTA would be separate bid.	Collocated bids that include a BESS must submit a base bid that includes battery augmentation and one bid alternative that includes non-augmentation.
Standalone BESS	BSA or BTA would be separate bid.	Standalone BESS bids must submit a base bid that includes battery augmentation and one bid alternative that includes non-augmentation.
Other renewables	PPA or BTA would be separate bid.	Limited to different contract terms, in-service dates, and/or pricing
Non-renewables	PPA or BTA would be separate bid.	Limited to different contract terms, in-service dates, and/or pricing

The Bid Fees will be used to cover the costs incurred by PacifiCorp in analyzing the proposals, including the costs of the IEs, technical consultants, and legal advisors. A success fee may be charged to successful winning bid(s) to cover any incremental costs of the IE and other external subject matter experts, PacifiCorp used in its bid evaluations or contract development, provided that in no event may the success fee exceed \$250,000 dollars per successful bid. Documentation of the calculation of the success fee will be computed in cooperation with the IE and provided to the bidder at the time the bid is selected to the final shortlist.

**Payment of Bid Fees.** Bid Fees must be paid by wire transfer to PacifiCorp. PacifiCorp will email wire transfer instructions to bidders who have submitted a notice of intent to bid five (5) business days before August 10, 2020. No cashier's checks will be accepted. When the bid is submitted, Bidder must provide documentation of submitted Bid Fees, such as a receipt of the wire transfer or wire transfer confirmation number. **The bid fee is non-refundable. After submission of bidder's proposal, the bid fee will not be refunded unless the proposal is withdrawn before the submittal due date, the proposal does not meet the minimum eligibility requirements and that**

**deficiency cannot be cured, or the proposal is rejected for any other non-conformance before commencement of the shortlisting analyses.**

## **H. BID NUMBERING AND FILE NAMING CONVENTION**

Bid numbers will be self-assigned by bidder in accordance with the directives below. There is no limit to the number of base proposals and proposal alternatives that may be submitted, subject to the Bid Fee requirements stated in Section 3.F.

Bid numbers must be expressed as a whole number followed by one decimal place, beginning with the number 1.0. Each subsequent base proposal will have a separate sequential bid number (i.e., 2.0, 3.0, etc.). The decimal place will be used to indicate pricing options or other base proposal alternatives, necessary to support pricing in **Appendix C-2 - Bid Summary and Pricing Input Sheet**. For example, the initial base proposal will be identified as “1.0” and the second pricing option alternative to the base proposal would be “1.1.” Bidder’s next base proposal, if any, would be “2.0” with “2.1” used for any second pricing option or other alternative to the base proposal.

File names should be kept short by using abbreviations wherever possible. All required documents must use the following naming convention:

*[Abbreviated Bidder name]\_[Bid number]\_[Abbreviated\_File\_Descriptor]*

## **I. MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS**

Bidders may be disqualified for failure to comply with the RFP if any of the requirements outlined in this RFP are not met to the satisfaction of PacifiCorp, as determined in its sole discretion. If proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal non-conforming and eliminate it from further evaluation. Reasons for rejection of a bidder or its proposal include, but are not limited to:

1. Receipt of any proposal after the bid submittal deadline.
2. Failure to meet the requirements described in this RFP and provide all information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** of this RFP.
3. Failure to adequately demonstrate the viability of a commercial operation date on or before December 31, 2024 with the exception of pumped storage hydro as described in Section 1.C.
4. Failure to permit disclosure of information contained in the proposal to PacifiCorp’s agents, contractors, regulators, or non-bidding parties to regulatory proceedings consistent with terms of executed confidentiality agreement.
5. Any attempt to influence PacifiCorp in the evaluation of the proposals outside the solicitation process.
6. Failure to provide a firm offer through the bid validity date outlined in Section 3.E of this RFP.

7. Failure to disclose the real parties of interest in any submitted proposal.
8. Bidder is in current material litigation or has threatened material litigation against PacifiCorp. For the purpose of this provision, material litigation means a dispute in excess of five (5) million dollars in which bidder has issued a demand letter to PacifiCorp, the bidder and PacifiCorp are currently in dispute resolution, the bidder and PacifiCorp have an unresolved dispute pending, or bidder has noticed a pending legal action against PacifiCorp. Material litigation excludes bidder complaints before a state public utility commission and matters before FERC regarding PacifiCorp that seek compliance or clarification of tariffs so long as the matter is not seeking monetary damages. PacifiCorp will consult with the IEs before rejecting any bidder under this subsection 8.
9. Failure to clearly specify all pricing terms for each base proposal and alternative(s).
10. Failure to offer unit contingent (as generated) or system firm capacity and energy to Company's network transmission system in either its PACE and PACW balancing areas.
11. For any bid that is proposing to interconnect to a third-party transmission system and secure transmission service to deliver the output of the resource to PacifiCorp at PACE or PACW, failure to provide satisfactory evidence<sup>13</sup> that the interconnection to the third-party transmission provider or firm transmission rights are already secured in bidder or project owner's name or readily obtainable by bidder to deliver the full output of the resource to PacifiCorp on or before December 31, 2024, detailing all actual or estimated transmission costs.
12. Failure to materially comply with technical specification requirements in **Appendix A - Technical Specifications** for BTA proposals involving potential PacifiCorp ownership or operational control.
13. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., wind turbines, solar photovoltaic panels, inverters, tracking system, generator step-up transformers, batteries) and other critical long lead time equipment.
14. Failure to demonstrate that it can meet the credit security requirements for the resource proposed.
15. Failure to submit information required by PacifiCorp to evaluate the price and non-price factors described herein.
16. Failure or inability to abide by the applicable safety standards.

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<sup>13</sup> Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.

17. Failure to submit an acceptable contract structure.
18. A determination by PacifiCorp that collusive bidding or any other anticompetitive behavior has occurred.
19. Bidder or proposed project being bid is involved in bankruptcy proceedings.
20. Failure of the bidder's authorized officer to sign the proposal cover letter.
21. Misrepresentation or failure to abide by Federal Trade Commission Green guidelines for renewable projects, if applicable.
22. Any change in law or regulatory requirements that make the bidder's proposal non-conforming.
23. Any matter impairing the bidder, the specified resource, or the generation of power or, if applicable, environmental attributes from the specified resource.
24. Failure to provide the minimum resource performance estimate information as described in Section 5.B. of the RFP.
25. Failure to provide a performance model output including hourly output values as identified in **Appendix C-3 - Energy Performance Report**.
26. Failure to provide **Appendix D - Bidder's Credit Information**.
27. Any bid that includes a requirement that PacifiCorp provide credit assurances.
28. In the case of a BTA bid, failure to submit an operations and maintenance proposal materially compliant with **Appendix K - General Services Contract - Operations & Maintenance Services for Project**.
29. Failure to provide documentation of site control for the project excluding right-of-way or easements for transmission, roads, or access to the site.<sup>14</sup>
30. Failure to provide documentation that an interconnection request with PacifiCorp Transmission was received and pending on or before January 31, 2020, consistent with PacifiCorp Transmission's interconnection queue reform transition process.
31. Failure of the bid interconnection description and capacity to be consistent with the interconnection request with PacifiCorp Transmission.

## **SECTION 4. RFP CONTENT AND SUBMITTAL INSTRUCTIONS**

### **A. ALL PROPOSALS**

This section outlines the content and format requirements for all proposal structures. Proposals that do not include the information requested and in a form described in this section may be

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<sup>14</sup> Site control as defined in PacifiCorp Transmission's OATT.



deemed ineligible for further evaluation if the bidder does not provide information within 24-hours of a request by PacifiCorp in its sole discretion. PacifiCorp may deem information not relevant as determined by PacifiCorp in its sole discretion. All sections must be complete and in compliance with the RFP in order for the bid to be accepted.

## **B. GENERAL ORGANIZATION OF THE BID SUBMITTAL**

All bids must contain the following information and, to facilitate timely evaluation, must be organized as indicated below. The sections of each bid proposal must be as follows and are further described in this Section 4 and **Appendix B-2 - Instructions and Information Required in Bid Proposals**:

- Section 1 - Executive Summary of Proposal
- Section 2 - Resource Description
- Section 3 - Bidder's Qualifications
- Section 4 - Financial Information
- Section 5 - Pricing Proposal and Pro Forma Project Financing
- Section 6 - Interconnection & Transmission Service
- Section 7 - Environmental and Siting
- Section 8 - Contract Terms
- Section 9 - O&M Services Contract Terms (BTA Bid Only)

## **C. POWER PURCHASE AGREEMENT (PPA) AND ENERGY STORAGE PROPOSALS**

For new resources, PacifiCorp will consider PPA or standalone energy storage transactions whereby the bidder develops the resource, assumes responsibility for construction and sells the power (and non-power attributes) to PacifiCorp on a long term basis, all pursuant to the terms of a PPA, BSA or Toll, which will include certain performance guarantees. The bidder will be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction, interconnection and long term asset management and operational costs. If the proposed resource is interconnecting to a third-party transmission system, the bidder will also be responsible under the PPA to arrange transmission service to a designated point of delivery on PacifiCorp's transmission system acceptable to PacifiCorp. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and operate the generation resource consistent with the bidder's proposal.

For existing resources, PacifiCorp will consider PPA transactions whereby the bidder sells the power (and non-power attributes) to PacifiCorp on a long term basis, all pursuant to the terms of a PPA, which will include certain performance guarantees. The bidder will be responsible for all aspects of the project's interconnection and the long term asset management and operational costs. If the existing resource is interconnecting to a third-party transmission system, the bidder will also be responsible under the PPA to arrange transmission service to a designated point of delivery on PacifiCorp's transmission system acceptable to PacifiCorp. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to operate the generation resource consistent with the bidder's proposal.

In the 2020AS RFP, PacifiCorp is seeking PPAs for the following resource categories as previously summarized in Table 1:

1. Renewable
  - a. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.
2. Renewable plus BESS
  - a. Solar or wind collocated with a BESS will be considered. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.
  - b. Bidders should secure confirmation from PacifiCorp Transmission that the facility's interconnection request or LGIA, if already executed representing the proposed renewable resource equipment and configuration and will not require a material modification<sup>15</sup> to add a BESS.
  - c. BESS dispatch, when paired with renewable resource, must not exceed the LGIA's capacity.
3. Non-renewable
  - a. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.

For standalone BESS or PSH, PacifiCorp is utilize the pro-forma BSA in **Appendix E-3 – BSA Documents** and the PSH toll termsheet in **Appendix E-4 – PSH Documents**.

A general description and instructions are included in the **RFP Appendices**. In addition to the bid narrative and bid organization instructions in **Appendix B-2 - Instructions and Information Required in Bid Proposals**, PPA, BSA or PSH bidders should reference the submittal checklist in **Appendix E-1 PPA Instructions to bidders**.

The bidder's proposal must contain their redline to the applicable pro forma documents based on the specific bid; **Appendix E-2 – PPA Documents, Appendix E-3 – BSA Documents, or Appendix E-4 – PSH Documents**. The redline should contain all of Bidder's exceptions to the terms and conditions of the pro forma document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. A bid that only provides a statement of "to discuss" or similar non-substantive commentary on the pro-forma agreement terms will be considered a non-conforming bid and subject to potential rejection in this RFP. Bidders should also submit comments to the pro forma agreement on issues that they have concerns with and identify alternatives to address the issues. While substantive comments to the pro-forma agreement are considered as part of the non-price scoring, PacifiCorp is looking for the completeness of the task and not the content in evaluating a project for inclusion

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<sup>15</sup> As defined in PacifiCorp Transmission's OATT.

in the initial shortlist, recognizing that substantive comments will be addressed in more detail with the bidders after selection to the initial shortlist.

All bidders in this category must complete the information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** (PPA tabs listed in Section 4.B of RFP). PacifiCorp will accept PPA bids up to 25 years.

PacifiCorp reserves the right to request bid cash flow information in order to complete its evaluation for capital lease accounting for tax purposes on PPAs of longer duration, if necessary.

#### **D. BUILD TRANSFER AGREEMENT (BTA) PROPOSALS**

PacifiCorp will consider build-transfer transactions whereby the bidder develops the resource, assumes responsibility for construction and then ultimately transfers the project to PacifiCorp upon or before the operation date, all pursuant to the terms of a BTA. The bidder will be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction, interconnection and all related costs up to achieving commercial operation. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and provide an operational generation resource consistent with the bidder's proposal.

In the 2020AS RFP, PacifiCorp is seeking build-transfer transactions for the following resource alternatives as previously summarized in Table 1:

1. New Renewable – Category A-2
  - a. BTAs will only be accepted for assets that are directly interconnected to PacifiCorp's system.
  - b. Conforming changes may be required in **Appendix F-2 - BTA Termsheet** to reflect specific resource types.
2. Renewable plus storage – Category B-2
  - a. Bidders should secure confirmation from PacifiCorp Transmission that the facility's interconnection request or LGIA, if already executed representing the proposed renewable resource equipment and configuration and will not require material modification to add a BESS.
  - b. BESS dispatch, when paired with renewable resource, must not exceed the LGIA's capacity.

In addition to the bid narrative and bid organization instructions in **Appendix B-2 - Instructions and Information Required in Bid Proposals**, BTA bidders should reference the submittal checklist in **Appendix F-1 - BTA Instructions to bidders**.

The bidder's proposal must contain their redline or other substantive comments to the BTA Termsheet provided in **Appendix F-2 – BTA Termsheet**. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. A bid that only provides a statement of "to discuss" or similar non-substantive commentary on the termsheet terms will be considered a non-conforming bid and subject to potential rejection in this RFP. While substantive comments to the BTA termsheet will be considered in evaluating a project for inclusion in the initial shortlist, substantive comments will be addressed in more detail with the bidders after selection on the initial shortlist and before development of the initial shortlist.

All bidders in this category must complete the information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** (BTA tabs listed in Section 4.B of RFP).

The bidder must provide information, representations, and warranties sufficient to assure PacifiCorp that any proposed project will successfully complete construction and achieve full commercial operation by December 31, 2024, with the exception of the long-lead time resources identified as pumped storage hydro resources for the 2020AS RFP. BTA projects must provide documentation that the proposed resource will be eligible to claim any applicable federal or state tax credits or other benefits<sup>16</sup> as interpreted by applicable guidelines and rules of the federal Internal Revenue Service or applicable state revenue authority.

Bidders will be responsible for submitting an operation and maintenance (O&M) service proposal as part of the overall BTA bid submittal consistent with **Appendix K - General Services Contract for Operation and Maintenance Services**. Any BTA proposal that does not include an O&M proposal that contains pricing, scope and other key terms will be rejected as a nonconforming proposal.

Bidders should note that any proposal submitted in this BTA category must comply with the applicable technical and construction specifications contained in **Appendix A - Technical Specifications**<sup>17</sup> and must use the services of a single primary contractor.

To the extent the bidder uses a contractor or a separate legal entity other than the bidder itself, this entity must be experienced with the type of facility being proposed and meet credit criteria which may include a requirement for a parental guarantee, all as deemed acceptable to PacifiCorp in its sole discretion.

## SECTION 5. RESOURCE INFORMATION

### A. BID INFORMATION AND PRICING INPUTS

**Appendix C-2 - Bid Summary and Pricing Input Sheet** is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for bid type and category as described in Table 1 of the RFP. Bidders should reference the instructions in **Appendix C-1 - Bid Summary and Pricing Input Sheet (Instructions)** which provides detailed directions on each tab. Bidders are required to complete and submit **Appendix C-2 - Bid Summary and Pricing Input Sheet**, which contains ten (10) tabs.

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<sup>16</sup> Bidders should provide specific details of claims for tax credits including legal opinions, equipment supply agreements, and documentation of ability to meet tax credit guidelines and rules.

<sup>17</sup> PacifiCorp has included only common technical specifications and resource specifications wind, solar, and BESS for build-transfer proposals. For other renewable resources, PacifiCorp will work through the resource specifications on an as needed basis.

## **B. RESOURCE PERFORMANCE ESTIMATE INFORMATION**

Bidders are required to provide a resource performance estimate prepared by a third party expert. In the alternative, bidders can provide an in-house energy performance report subject to PacifiCorp being able to replicate the results.

Below is a summary of the requested resource performance information by resource type. Additional detail is provided in **Appendix C-3 - Energy Performance Report**.

**WIND:** For wind submittals, one (1) electronic and hard copy of an independent third-party or in-house wind assessment analysis/report supported by a minimum of (a) two years of wind data for BTA proposals from the proposed site or (b) one year of wind data for PPA proposals from the proposed site and one (1) electronic copy of the wind data that support the capacity factor.

**SOLAR:** For solar proposals, Bidder must provide one (1) electronic and hard copy of the PVSyst report and also the complete set of modeling input files in Microsoft Excel format that PacifiCorp can use to replicate the performance using PVSyst, PacifiCorp's preferred solar performance model. PacifiCorp will accept two years of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA and BTA bids. However, should a solar BTA bidder be selected to the initial shortlist, to remain on the initial shortlist, bidder must commit to install at least one solar monitoring station on the proposed solar site by November 15, 2020 with the ability to capture solar irradiance data for at least eight months and prior to being considered for the final shortlist. If a solar BTA bidder is selected to the final shortlist, bidder will commit to maintaining at least one on-site solar monitoring station through the entire construction period and provide the solar monitoring station and all collected solar irradiance data to PacifiCorp at BTA closing. The performance estimation reports must meet the requirements in **Appendix A – Technical Specifications** for Solar. Production estimates should be representative P-50 annual hourly (8760 hours) energy profile reflecting expected unit availability and annual degradation as supported in vendor documentation. In the event the bidder chooses to use different performance modeling software than specified, the bidder must provide sufficient data and inputs for PacifiCorp to validate the expected performance of the proposed resource.

**GEOTHERMAL:** For geothermal proposals, a minimum of one production well and one injection well flow results for one year to support the viability and capacity of the geothermal resource along with a third party or in-house resource assessment report supporting the expected capacity factor.

**BIOMASS:** For biomass proposals, a letter of intent with a biomass fuel source for a period of ten (10) years or greater along with a third party or in-house resource assessment report supporting the expected capacity factor.

**BIOGAS:** For biogas proposals, a third party or in-house resource assessment report supporting the expected capacity factor. Report to include at a minimum, history of landfill, total volume permitted, volume filled, estimated closure date, organic fraction of the municipal solid waste, moisture levels, temperature and pH of the waste, future waste receipt, increase or decrease and average rainfall in the area.

**STORAGE:** For BESS proposals, the third party or in-house report should discuss system degradation, controls, location, life, cycles, load duration, description of shared facilities with the

associated renewable generation facility and the other applicable information supporting the BESS expected performance.

OTHER: For all other renewable and non-renewable resource submittals, one (1) electronic and hard copy of an independent third party or in-house energy analysis/report supported by a minimum of (a) two years of motive force data (i.e., fuel acquisition, water flow, thermal well production, etc.) from the proposed site. Data must support the resource's capacity factor.

### **C. DIRECT INTERCONNECTION TO PACIFICORP'S SYSTEM**

PacifiCorp Transmission received an order from FERC<sup>18</sup> on May 12, 2020 allowing PacifiCorp Transmission to reform its interconnection study process set forth in its Open Access Transmission Tariff (OATT). The interconnection queue reform process replaces the existing "serial queue" interconnection study process with a "first-ready, first-served, cluster" interconnection study approach. PacifiCorp's 2020AS RFP process for bid evaluation, scoring, modeling, and selection reflects PacifiCorp Transmission's interconnection queue reform process as described in its OATT.

In the 2020AS RFP, under the interconnection queue reform, at the conclusion of the transition interconnection cluster study process, PacifiCorp will consider a bidder's interconnection documentation and costs.

PacifiCorp anticipates that it will receive bids having progressed through various stages of the interconnection study process. On one end of the spectrum, some bids are likely to have executed a LGIA with PacifiCorp Transmission, while on the other end of the spectrum, other bids are likely to have only submitted an interconnection request that will not yet have been studied. To ensure there is a fair comparison among bids, while the company will be reviewing the bidder's interconnection documentation to confirm it aligns with the bidder's bid, the cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp's transmission system will not be a bid requirement or included in the initial shortlist price evaluation.

Bidders will be required to meet the minimum eligibility requirement for RFP conformance demonstrating that its project bid conforms with the project's interconnection documentation, which could be: (a) only an interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp's transmission function on or before January 31, 2020; (b) serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp's proposed interconnection queue reform transition process; or (c) an executed LGIA.

At the conclusion of the transition cluster study phase, as part of updating bid pricing, bids selected to the initial shortlist will be required to provide direct assigned and network upgrade costs either from their cluster study results, their interconnection study documentation (if the

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<sup>18</sup> FERC Docket ER20-924

bidder has retained the documentation under the parameters of PacifiCorp's interconnection queue reform process), or from their executed LGIA.

**Bidders should be aware of and clearly understand the specific steps, criteria, milestones and schedule of PacifiCorp Transmission queue reform and transition cluster study process. Bidders selected to the initial shortlist who are rejected by PacifiCorp Transmission for not meeting all of PacifiCorp Transmission's non-commercial readiness criteria necessary to be included in the transition cluster study will be removed by PacifiCorp from the initial shortlist and deemed non-conforming bids.**

#### **D. TRANSMISSION SERVICE FOR DELIVERY TO PACIFICORP'S SYSTEM**

PacifiCorp will not accept build-transfer transactions for projects using third-party transmission service for delivery to PacifiCorp's system.

PacifiCorp's 2020AS RFP is accepting new and existing resources, proposed under a PPA transaction, capable of interconnecting with a third-party transmission system and using third-party firm transmission service to deliver to PacifiCorp's transmission system. The minimum eligibility requirements for off-system bidders include an unredacted interconnection system impact study with the third party transmission provider and documentation<sup>19</sup> of the availability of, and request for, long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to a point of delivery on PacifiCorp's system that is acceptable to PacifiCorp, achievable by December 31, 2024.

Bidders choosing the third-party interconnection and third-party transmission option are responsible for any current or future third-party tariff requirements or tariff changes including, but not limited to, interconnection, variable energy resource, electric losses, reserves, transmission, integration, imbalance, scheduling, and ancillary service arrangements required to deliver to the point of delivery on PacifiCorp's system. These costs will not be included in the evaluation of PPA proposals as they are assumed to be the responsibility of the bidder.

Bidders that propose bids relying on third-party transmission should also be aware that the use of transmission that is interruptible within the hour in any segment of the schedule or tagged from the source to the point(s) of delivery will require PacifiCorp to evaluate the cost and need to

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<sup>19</sup> Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.

carry reserves against the schedule, which can be up to 100% in the case of electricity moved from a third party balancing authority area to PacifiCorp's network transmission system.

The PPA for a winning bid will contain contract milestone to provide an executed third party transmission service agreement six months prior to the project's contracted commercial operations date.

#### **E. NETWORK TRANSMISSION SERVICE ON PACIFICORP'S SYSTEM**

All proposals will require firm transmission on PacifiCorp's network transmission system to load and proposed resources must be able to be designated by PacifiCorp's merchant function as a network resource eligible for inclusion in PacifiCorp ESM's network integration transmission service agreement with PacifiCorp's transmission function ([www.oasis.pacifiCorp.com](http://www.oasis.pacifiCorp.com)). The terms and conditions specific to PacifiCorp's network transmission service request are further discussed in the pro forma PPA or BSA in **Appendix E-2 - PPA Documents** or **Appendix E-3 – BSA Documents** and the BTA term sheet in **Appendix F-2 - BTA Term Sheet**. Note, PacifiCorp's PPA, BSA, and BTA will include the following non-negotiable term: *"PacifiCorp shall have the right to terminate this Agreement if Network Service Provider confirms through the Tariff study process that network upgrades will be required on the Network Service Provider's transmission system in order to accept PacifiCorp's request to designate this Agreement as a Network Resource and the estimated cost to PacifiCorp of such network upgrades are in excess of XXX million dollars (\$X,000,000); provided, however, that such termination right under this section shall expire up to one hundred and fifty eighty (180) days following the Effective Date (as may be extended for up to fifteen (15) additional days pursuant to the subsequent provision); provided, further, that prior to the exercise of such termination right, PacifiCorp shall deliver written notice to Seller of PacifiCorp's intent to terminate this Agreement and, unless the Parties otherwise mutually agree upon an alternative solution."*

#### **F. TAX CREDITS AND/OR PROJECT INCENTIVES**

Bidders bear all risks, financial and otherwise, associated with their or a facility's eligibility to receive any state or federal energy tax credits, sales tax waivers or exemptions, payment in lieu of tax (PILOT), or any other identified tax- or accounting-related, incentive, or benefit. The obligations of a bidder to perform under any executed agreement as a result of this solicitation remain effective and binding regardless of whether the sale of or the output from a bidder's facility under such agreement is eligible for or receives and tax credits or other tax- or accounting-related incentives or benefits.

For build-transfer transactions, PacifiCorp will require written attestation by an officer and documentation of the amount, timing and control of any and all available tax credits/incentives that the bidder's facility is eligible for, applied for, and/or received. Such documentation must include but not be limited to ownership rights to the credit, grant or incentive, timing including expiration dates and milestones to achieve the credit, grant, or incentive.

#### **G. ACCOUNTING**

All contracts proposed to be entered into as a result of this RFP will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders are required to supply, upon request by PacifiCorp, any and all information that PacifiCorp reasonably requires in order to make these assessments if the bid is selected to the initial shortlist. Specifically, given the term length of the



PPA, or the useful life of the asset to be acquired under an asset acquisition, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease<sup>20</sup> for book purposes pursuant to ASC 840, (ii) a contract be accounted for by PacifiCorp as a capital lease for tax purposes,<sup>21</sup> or (iii) assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.<sup>22</sup> Potential accounting treatment impacts may be incorporated into the bid evaluation and selection process. For instance, if PacifiCorp determines that a long term PPA offering would be treated as a capital lease for tax purposes, PacifiCorp would be treated as the tax owner for the proposed facility.

## **H. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT**

PacifiCorp will not take into account potential costs to PacifiCorp associated with direct or inferred debt (described below) as part of its economic analysis in the initial shortlist evaluation. However, after completing the final shortlist and before the final resource selections are made, PacifiCorp may take direct or inferred debt into consideration. In so doing, PacifiCorp may obtain a written advisory opinion from a rating agency to substantiate PacifiCorp's analysis and final decision regarding direct or inferred debt.

Direct debt results when a contract is deemed to be a capital lease pursuant to ASC 840 and the lower of the present value of the nonexecutory minimum lease payments or 100% of the fair market value of the asset must be added to PacifiCorp's balance sheet.

Inferred debt results when credit rating agencies infer an amount of debt associated with a power supply contract and, as a result, take the added debt into account when reviewing PacifiCorp's credit standing.

## **SECTION 6. BID EVALUATION AND SELECTION**

### **OVERVIEW OF THE EVALUATION PROCESS**

PacifiCorp's bid evaluation and selection process is designed to identify the combination and amount of new resources that will maximize customer benefits through the selection of bids that will satisfy projected capacity and energy needs while maintaining reliability. Based on proxy resource cost assumptions used in the 2019 IRP, energy and capacity needs were best satisfied by the resource selections summarized in **Appendix H - 2020AS RFP Locational Capacity Limits**. The models that PacifiCorp will use to evaluate and select the best combination and amount of bids are the same models that were used to evaluate proxy resources in PacifiCorp's 2019 IRP.

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<sup>20</sup> The terms "Capital Lease" and "Operating Lease" have the meaning assigned to such terms in the Accounting Standards Codification (ASC) 840 as issued and amended from time to time by the Financial Accounting Standards Board (FASB).

<sup>21</sup> See IRS Code Section 7701(e) describing the test for capital lease for tax purposes.

<sup>22</sup> The term "Variable Interest Entity" or "VIE" - has the meaning assigned to such term in ASC 810 as issued and amended from time to time by the FASB.

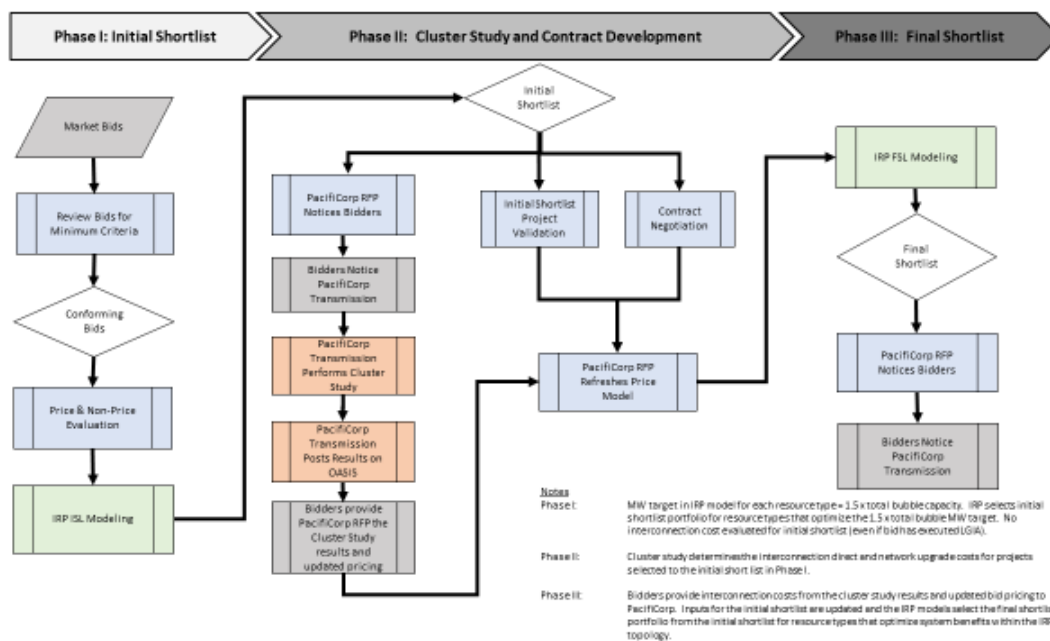
PacifiCorp uses the IRP modeling tools to serve as decision support tools that can be used to guide prudent resource acquisition paths that maintain system reliability at a reasonable cost.

The bid evaluation process is designed to reflect PacifiCorp Transmission's interconnection queue reform including the transition period milestones and process steps. At a high level, the 2020AS RFP evaluation process involves three phases:

1. Initial shortlist
2. Interconnection cluster study and contract development, and
3. Final shortlist

The 2020AS RFP evaluation process is shown in Figure 1.

**Figure 1. Bid Evaluation and Selection Process**



## A. PHASE I – INITIAL SHORTLIST

Phase I entails the acceptance of the bid, due diligence and screening to ensure bids conform with minimum requirements established in the 2020AS RFP, price and non-price scoring and ranking of the bids based on their location in relationship to the 2020 IRP topology and resource type, and advancing the lowest cost bids to the initial shortlist. During this phase of the bid evaluation process, PacifiCorp will not ask for, or accept, updated pricing or updates to any other bid components. PacifiCorp will rely on the pricing and other inputs as submitted into the 2020AS RFP for each bid. However, PacifiCorp will contact bidders to confirm and clarify information presented in each proposal. The pricing model will be made available to the IE, but not to bidders or stakeholders.

### 1. Conformance to Minimum Requirements

Bids will initially be screened after receipt against minimum requirements for RFP conformance, and after IE review and consultation, non-conforming bids will be notified to correct their bid within 24 hours or be removed from the RFP. PacifiCorp will screen each project bid and confirm that it conforms with the project's interconnection documentation, which could be: (a) an interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp Transmission on or before January 31, 2020; (b) serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp's proposed interconnection queue reform transition process; or (c) an executed LGIA.

## **2. Price and Non-Price Scoring and Ranking**

Conforming bids will be evaluated using PacifiCorp's proprietary pricing models and ranked by resource type within each IRP topology location. PacifiCorp will limit the capacity in a given location to 150% of the capacity chosen by company's 2019 IRP preferred portfolio. This will be expanded further by selecting on a resource basis, a pool of up to the 150% capacity level for each IRP topology location. Those targets are shown in **Appendix H - 2020AS RFP Locational Capacity Limits** in the topology map on the right. For locations where the IRP preferred portfolio did not include any new resources in the 2023-2024 time frame, PacifiCorp will limit the total capacity by resource type to be no greater than 150% of the capacity available via enabling transmission upgrades for that location as assumed when developing the 2019 IRP.<sup>23</sup>

For example, in Southern Oregon, which is shown on the 2019 IRP Preferred Portfolio topology map to the left in **Appendix H**, 500 MW of solar and 125 MW of BESS were selected by the 2019 IRP. Bids located in Southern Oregon would be separated by resource type (*i.e.*, solar, solar with a BESS, wind, etc.), then ranked and selected up to a total of 750 MW for each resource type<sup>24</sup>, meaning that up to 750 MW of solar, 750 MW of wind, 750 MW of solar with BESS, etc. if available, would be scored and ranked in Southern Oregon for possible selection to the initial shortlist.

Bids including long-lead time resources will be evaluated as a separate resource type categories in each location in its evaluation and development of the Initial Shortlist. If no bids for a specific resource type are submitted, that resource type will not be included in the location. If PacifiCorp determines that there is a distinct change in bid scores at a level of capacity that falls short or exceeds this capacity limit, the company will coordinate with the IE to establish a limit by resource type that could either fall below or exceed the maximum total capacity for a given location.

Wyoming East – PacifiCorp eastern Wyoming region of the PACE BAA is treated differently from other topology areas because the interconnection capacity in that area has been studied

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<sup>23</sup> IRP Table 6.11 – Transmission Integration Options by Location and Capacity Increment

<sup>24</sup> BESS capacity will be limited to 25% of the nameplate capacity of the collocated solar capacity (*i.e.*, in Southern Oregon, 750 MW of solar would select 190 MW of BESS). PSH will be evaluated as a separate resource type in each location.

extensively as part of PacifiCorp Transmission's long-term transmission planning resulting in the planned addition of Gateway South, a 500 kV high-voltage transmission line that will extend approximately 400 miles from the proposed Aeolus substation in southeastern Wyoming into the Clover substation near Mona, Utah. That expansion will enable approximately 1,920 MW of interconnection capability for generation projects in this area and therefore the capacity limit will be specifically tied to 1,920 MW. Bids in the Wyoming east cluster area are expected to trigger Gateway South to be added and account for its cost as part of the initial shortlist modeling process and later in the final shortlist modeling and selection process.

- Price Score (up to 75%). PacifiCorp will calculate the delivered revenue requirement cost of each bid, inclusive of any applicable carrying cost and net of tax credit benefits, as applicable. In developing revenue requirement costs, PacifiCorp will use cost data for each bid. Any internal assumptions for key financial inputs (*i.e.*, inflation, discount rates, marginal tax rates, asset lives, AFUDC rates, *etc.*) and PacifiCorp carrying costs (*i.e.*, integration costs, owner's costs, *etc.*) will be applied consistently to all bids, as applicable. PacifiCorp anticipates that it will receive bids having progressed through various stages of the currently effective serial queue interconnection study process. On one end of the spectrum, some bids are likely to have executed LGIA with PacifiCorp Transmission, while on the other end of the spectrum, other bids are likely to have only submitted an interconnection request that will not yet have been studied. To ensure there is a fair comparison among bids, while the company will be reviewing the bidder's interconnection documentation to confirm it aligns with the bidder's bid, the cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp's transmission system will not be included in the initial shortlist price evaluation. At the conclusion of the transition cluster study phase, as part of updating bid pricing, bids selected to the initial shortlist will be required to provide direct assigned and network upgrade costs either from their cluster study results, their interconnection study documentation (if the bidder has kept the documentation under the parameters of PacifiCorp's interconnection queue reform process), or from their executed LGIA. At that time, bidders shall include their direct assigned and network upgrade costs in their refreshed prices for final short list evaluation.

The cost of each bid will be netted against system-value curves, which will be developed and locked down with the IE in advance of receiving bids. The system-value curves will be developed from Planning and Risk (PaR) model simulations that will calculate the hourly marginal system energy value of a flat energy profile and the hourly marginal operating reserve value of a flat operating reserve profile, by location.

Bid costs net of the applicable system-value will be used to assign a price score to each bid. This will be achieved by calculating an inflation-adjusted real-levelized net cost of capacity expressed in "\$/kW" based on the capacity contribution of each bid. This value will be force ranked, with a maximum of 75 points to the evaluated bid with the highest calculated net benefit by location and resource type, a minimum of zero (0) points to the evaluated bid with the lowest calculated net benefit; and the remaining bids scored on the 0 to 75 point scale according to the relationship of their respective calculated net benefits to those of the highest and lowest bids.

- **Non-Price Score (Up To 25%).** The non-price analysis will gauge the maturity and readiness of the project including development, site control, permitting, equipment procurement, conformance to PPA or BTA terms and conditions, schedule, and operational characteristics and the associated risks of each bid. A matrix will be used for each non-price factor and is included in **Appendix L – Non-Price Scoring Matrix**.<sup>25</sup> For each non-price factor, proposals will be assigned one of three discrete scores: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight as shown in the Non-Price Scoring Matrix. Bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to PacifiCorp before PacifiCorp performs due diligence on any given bid. Bidders that have a demonstrated track record and bids for mature proposals will receive higher scores. The following table summarizes the basis for weighting each non-price factor.

#### NON-PRICE FACTOR WEIGHTING

Non-Price Factor	Non-Price Factor Weighting
1. Bid Submittal Completeness	5%
2. Contracting Progression and Viability	5%
3. Project Readiness and Deliverability	15%

PacifiCorp will use the combined price and non-price results to rank bids. Based on these rankings, PacifiCorp will identify an initial pool of resources by location and resource type based on the total bid score (maximum at 100%, with a maximum of 75% for price and a maximum of 25% for non-price factors). This initial pool of resources will be made available as resource alternatives for IRP modeling.<sup>26</sup>

### 3. IRP Modeling and Selection of the Initial Shortlist

Upon identification of the initial pool of bids, bid inputs will be submitted to the IRP team for modeling of the resources using the production cost models used in the 2019 IRP. The production cost models will select the optimized portfolio of resources subject to the same total capacity limits used to score and rank bids in the initial pool of resources. As noted above, PacifiCorp will limit the capacity in a given location to 150% of the capacity included in the company's 2019 IRP preferred portfolio. For locations where the IRP preferred portfolio did not include any new resources in the 2023-2024 time frame, PacifiCorp will limit the total capacity by to be no greater than 150% of the interconnection capacity for that location as

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<sup>25</sup> OAR 860-089-400-2(b).

<sup>26</sup> Note, in instances where bidders offer a bid alternative for the same resource type in the same location, only the highest scoring bid alternative for that location and resource type will be included in the initial pool of resources.

assumed when developing the 2019 IRP. Note, that the IRP modeling tools will selection among the least cost resource types by location based on bid cost and performance data.

As was done in the 2019 IRP, reliability analysis will be performed on all initial bid selections to ensure that the selected portfolio of resources can meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events. Should incremental flexible resource capacity be required to maintain system reliability through 2024, these resources will be selected from bids capable of providing incremental flex capacity.

PacifiCorp will not make any of the IRP evaluation models available to the IE, bidders, or stakeholders. However, PacifiCorp will summarize how the IRP evaluation models function for the IE, who will have full access to the inputs and outputs of all IRP models used during the evaluation process.

#### **4. Initial Shortlist Notification by PacifiCorp**

PacifiCorp will notify bidders that were selected to the initial shortlist in Phase I.

#### **5. Bidder Notification to PacifiCorp Transmission**

Bidders will then be required to notify PacifiCorp Transmission of their selection to the initial short list to demonstrate they have met the “commercial readiness” criteria (in addition to having satisfied any other PacifiCorp Transmission defined requirements) established in PacifiCorp Transmission’s interconnection queue reform process. Bidders will be responsible to ensure that their bid(s) submitted to PacifiCorp in response to the 2020AS RFP are in compliance with and represent existing interconnection service requests, study documentation, or existing contracts between Bidder and PacifiCorp Transmission.

***Bidders assume the risk, and PacifiCorp will not be held liable, in the event that a bid selected to the initial shortlist in the 2020AS RFP is deemed ineligible for PacifiCorp’s transition cluster study due to deviations between the submitted project bid and the LGIA, study documentation, or application associated with such project as submitted to PacifiCorp Transmission, or due to a Bidder’s failure to satisfy any other requirement of PacifiCorp’s OATT. Bidders will be required to meet all requirements of PacifiCorp Transmission’s transition cluster study process including deposits, payments, milestones and any penalties associated with withdrawals from the transition cluster process and could be subject to disqualification from the 2020AS RFP for any violation during the transition cluster study process.***

### **B. PHASE II – INTERCONNECTION CLUSTER STUDY AND CONTRACT DEVELOPMENT**

Phase II is composed of the following tasks: transition cluster study report issued by PacifiCorp Transmission, resource capacity factor verification and storage performance performed by

third-party consultants for PacifiCorp, preliminary contract negotiations with the initial shortlist bidders,<sup>27</sup> and bid update by the initial shortlist.

### **1. Interconnection Cluster Study Report**

The transition interconnection cluster study report is expected to take approximately six months and will be performed by PacifiCorp Transmission in accordance with its approved transition interconnection queue reform process.

### **2. Resource Capacity Factor Verification and Storage Performance**

PacifiCorp will engage a third-party subject matter expert to verify the capacity factor of the proposed wind and solar resources selected to the initial shortlist consistent with Oregon rule 860-089-0400 5(a). In addition, PacifiCorp will engage a third-party subject matter expert to assist in the evaluation of bids including storage, specifically focused on the operating characteristics and specifications of the storage resource proposed by the bidder. This task will be done in parallel with the transition cluster study.

### **3. Contract Development**

PacifiCorp will engage the initial shortlist bidders to work through terms and conditions in the applicable pro forma agreement or term sheet for each proposal using the submitted issues list and agreement mark-up contained in their bid. All initial shortlisted bidders will be expected to complete a near-final draft contract specific to their project on the timeline established in the 2020AS RFP, including any long-lead resources making the initial shortlist. Delay in completing the negotiations of a near-final draft contract may result in removal from the initial shortlist. Completing a near-final draft contract does not guarantee bidder selection to PacifiCorp's final shortlist. Only execution of a definitive agreement between PacifiCorp and the bidder after the final shortlist selection, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal.

### **4. Bid Update**

At the conclusion of the interconnection cluster study process, results of the transition cluster study will be posted to OASIS and participating parties including the initial shortlist bidders will be notified of their results. Bidders will be required to update their bid pricing and to

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<sup>27</sup> Pursuant to OAR 860-089-0500(2) the company is required to request Commission acknowledgment of the final short list before it may begin negotiations. To achieve the proposed timeline necessary to allow commercial operation dates eligible for tax benefits, the company is considering a timeline where it commences contract negotiations prior to submission of the final shortlist to the Commission. PacifiCorp would not, however, complete negotiations until after a Commission determination on the final short list is made. The company will continue to evaluate the necessity of this timing during the development of the RFP, together with the selected IE, and submit a waiver request to the Commission from OAR 860-089-500(2), as necessary.

include the direct assigned and network upgrade costs associated with interconnection either from their cluster study results, their interconnection study documentation, or from their executed LGIA. Best and final pricing must be provided for the same site using the same LGIA, study documentation, or application associated with the original bid, the same or similar project equipment, and on the same development and construction timeline as originally proposed.

## **C. PHASE III – FINAL SHORTLIST**

Phase III is the selection of the final shortlist. In Phase III, the same production cost models used for the IRP and for selection of the initial shortlist in Phase I will be rerun for the initial shortlist resources with updated bid pricing and interconnection costs results from either the bidder's cluster study results, their serial-queue study documentation, or their LGIA. After confirming that updated pricing meets the requirements of the 2020AS RFP, PacifiCorp will use the same proprietary models used for the Phase I initial ranking, with the bids' interconnection information, updated pricing, verified capacity factor, and storage evaluation, if applicable, to process bid costs for input into the IRP production cost models. PacifiCorp will use its System Optimizer (SO) model (the same model used by PacifiCorp to develop resource portfolios in the 2019 IRP) to develop a resource portfolio. As was done in the 2019 IRP and in Phase I, PacifiCorp will perform a reliability assessment to ensure that the selected portfolio of resources can meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events. Should incremental flexible resource capacity be required to maintain system reliability, these resources will be selected from the initial shortlist of bids that are capable of providing incremental flex capacity or remove resources to hit the targeted reliability requirements. PacifiCorp will not update the non-price portion of the bid evaluation from Phase I. Cost and risk analysis, along with any other factors not expressly included in the formal evaluation process, but required by applicable law or commission order, will be used by PacifiCorp, in consultation with the IE, to establish the final shortlist.

### **1. Processing of Best and Final Bids**

In processing bid costs, PacifiCorp will convert any calculated revenue requirement associated with capital costs, as applicable (i.e., return on investment, return of investment, and taxes, net of tax credits, as applicable) to first-year-real-levelized costs, consistent with the treatment of capital revenue requirement in PacifiCorp's IRP modeling. All other bid costs will be summarized in nominal dollars and formatted for input into the IRP models, consistent with the treatment of non-capital revenue requirement in PacifiCorp's IRP modeling. Projected renewable resource performance data (expected hourly capacity factor information) will also be processed for input into the IRP models.

### **2. Bid Resource Portfolio Development**



The initial shortlist with updated pricing and costs will be submitted to the IRP modeling team representing the final shortlist pool from which the IRP models will select the final short list. However, with the cluster study results available, resource selections will be informed by interconnection costs and potential limits on interconnection capacity. PacifiCorp will SO to develop a resource portfolio, tested for reliability, that contains the selection of updated initial shortlist bids providing the lowest cost, to establish the final shortlist. If during the reliability assessment, the selected portfolio of resources does not meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events, and incremental flexible resource capacity is required to maintain system reliability, PacifiCorp in consultation with the IE, may add resources from the initial shortlist of bids that are capable of providing incremental flex capacity or remove resources to hit the targeted reliability requirements. Bids will be available for selection to the resource portfolio for a range of different environmental policy and market price scenarios (policy-price scenarios).<sup>28</sup>

### **3. Stochastic Risk Analysis**

PacifiCorp will also evaluate each of the resource portfolios developed with the SO model using PaR—the same model used in PacifiCorp’s 2019 IRP to analyze stochastic resource portfolio risk. PaR captures stochastic risk in its production cost estimates, without altering the resource portfolio, by using Monte Carlo sampling of stochastic variables, which include: load, wholesale electricity and natural gas prices, hydro generation, and thermal unit outages. For purposes of the 2020AS RFP, PaR will be used to calculate the stochastic mean PVRR and the risk-adjusted PVRR for each policy-price scenario.<sup>29</sup>

### **4. Identifying Top-Performing 2020AS RFP Renewable Resource Portfolios**

PacifiCorp will summarize and evaluate the 2020AS RFP resource portfolios to identify the specific bid resources that are most consistently selected among the policy-price scenarios. Based on these data, and in consultation with the IE, PacifiCorp may select one or more 2020AS RFP resource portfolios for further scenario risk analysis.

### **5. Scenario Risk Analysis**

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<sup>28</sup> Policy-price scenarios will be conceptually consistent with those used in the 2019 IRP (i.e., alternative environmental policy assumptions among low, medium, and high price scenarios), but updated to reflect PacifiCorp’s assessment of the most current information. Policy-price scenario assumptions will be established and reviewed with the IE before updated bids with updated pricing are received and opened.

<sup>29</sup> The stochastic mean metric is the average of system net variable operating costs among 50 iterations, combined with the real-levelized capital costs and fixed costs taken from the SO model. The risk-adjusted metric adds 5% of system variable costs from the 95<sup>th</sup> percentile to the stochastic mean. The risk-adjusted metric incorporates the expected value of low-probability, high-cost outcomes.

This step of the evaluation process will help identify whether top-performing portfolios exhibit especially poor performance under a range of future policy-price scenarios. PacifiCorp will develop new system resource portfolios around the top-performing 2020AS RFP resource portfolios and calculate a system PVRR for each policy-price scenario. Similarly, the portfolios developed in the SO model will be evaluated in PaR, and PacifiCorp will calculate a stochastic mean PVRR and a risk-adjusted PVRR for each policy price-scenario.

#### **6. Other Factors: Applicable Law and Statutory Requirements**

Before establishing a final shortlist, PacifiCorp may take into consideration, in consultation with the IE, other factors that are not expressly or adequately factored into the evaluation process outlined above, particularly any factor required by applicable law or Commission order to be considered.

#### **7. Final Shortlist Selection**

PacifiCorp will summarize and evaluate the results of its scenario risk analysis, considering PVRR results, to identify the specific least-cost bids. Based on these data and certain other factors as described above, and in consultation with the IE, PacifiCorp may establish a final shortlist.

Selection of the final shortlist may be conditioned on the results of a restudy under PacifiCorp Transmission's transition cluster study process.

After the final shortlist is established and approved, PacifiCorp will re-engage in negotiations with the selected bidders to finalize their contract and prepare the contract for execution. Selection of a bid to the final shortlist does not constitute a winning bid. Only execution of a definitive agreement between PacifiCorp and the bidder, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal.

## **SECTION 7. AWARDING OF CONTRACTS**

### **A. INVITATION**

This RFP contains only an invitation to make proposals to PacifiCorp. No proposal is itself a binding contract unless the parties execute definitive and complete documentation providing otherwise.

PacifiCorp may in its sole discretion do any one or more of the following:

1. Determine which proposals are eligible for consideration in response to this RFP.
2. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each bidder.
3. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
4. Negotiate with bidders to amend any proposal.

5. Select and enter into agreements with the bidders who, in PacifiCorp's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interests of PacifiCorp and its customers, and not necessarily on the basis of price alone or any other single factor.
6. Issue additional subsequent solicitations for proposals.
7. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
8. Reject any or all proposals in whole or in part.
9. Vary any timetable.
10. Conduct any briefing session or further RFP process on any terms and conditions.
11. Withdraw any invitation to submit a response.

#### **B. BASIS OF REJECTION**

Proposals may be rejected for any reason including but not limited to not meeting the minimum eligibility requirements identified in Section 3.H of this RFP.

#### **C. NON-RELIANCE LETTER**

All parties will be required to sign **Appendix G-2 - Non-Reliance Letter** if they qualify for the initial shortlist.

#### **D. POST-BID NEGOTIATION**

Post bid negotiations will be accomplished in two phases. PacifiCorp will negotiate initial terms and conditions of contracts with the initial shortlist in Phase II and further negotiate final contract terms including both price and non-price factors following issuance of the final shortlist. PacifiCorp will also include in its evaluation any factor that may impact the total cost of a resource, including but not limited to all of the factors used in the final shortlist cost analysis plus consideration of accounting treatment and potential effects due to rating agency treatment, if applicable. Post-bid negotiation will be based on PacifiCorp's cost assessment. PacifiCorp will continually update its economic and risk evaluations until both parties execute a definitive agreement for a selected resource acceptable to PacifiCorp in its sole and absolute discretion.

PacifiCorp has no obligation to enter into any agreement with any bidder to this RFP and PacifiCorp may terminate or modify this RFP at any time without liability or obligation to any bidder. In addition, this RFP does not in any way prevent PacifiCorp from entering into any agreement that PacifiCorp deems prudent, in PacifiCorp's sole discretion, at any time before, during, or after this RFP process is complete. Finally, PacifiCorp reserves the right to negotiate only with those entities that propose transactions that PacifiCorp believes in its sole discretion have a reasonable likelihood of being executed.

#### **E. SUBSEQUENT REGULATORY ACTION**

Unless mutually agreed between the parties in a definitive agreement or unless required by actual (or proposed) law or regulatory order, PacifiCorp does not intend to include a contractual clause whereby PacifiCorp is allowed to adjust contract prices in the event that an entity who has regulatory jurisdiction over PacifiCorp does not fully recognize the contract prices in determining

PacifiCorp's revenue requirement. As of the issuance date for this solicitation, PacifiCorp is unaware of any such actual law or regulatory order.

## **F. RFP RESULTS**

At the conclusion of the 2020AS RFP after execution of all contracts or cancellation of the RFP, PacifiCorp will make individual bidder's score available to the bidder, upon request<sup>30</sup>, and make a publicly available filing in the Oregon RFP docket providing the average bid score and the average price of a resource by resource type from the final shortlist<sup>31</sup>.

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<sup>30</sup> OAR 860-089-500(6)

<sup>31</sup> OAR 860-089-500(5)

## **APPENDICES**

**APPENDIX A 2020AS RFP Project Technical Specification for BTAs**

**APPENDIX B-1 Notice of Intent to Bid**

**APPENDIX B-2 Instructions and Information Required in Bid Proposals**

**APPENDIX C-1 Bid Summary and Pricing Input Sheet (Instructions)**

**APPENDIX C-2 Bid Summary and Pricing Input Sheet**

**APPENDIX C-3 Energy Performance Report**

**APPENDIX D Bidder's Credit Information**

**APPENDIX E-1 PPA, BSA, and PSH Instructions to Bidders**

**Appendix E-2 Power Purchase Agreement (PPA) Documents**

**Appendix E-3 Battery Storage Agreement (BSA) Documents**

**Appendix E-4 Pumped Storage Hydro (PSH) Documents**

**APPENDIX F-1 BTA Instructions to Bidders**

**APPENDIX F-2 Build Transfer Agreement (BTA) Documents**

**APPENDIX G-1 Confidentiality Agreement**

**APPENDIX G-2 Non-Reliance Letter**

**APPENDIX H 2020AS RFP Locational Capacity Limits**

**APPENDIX H-1 Major Substations associated with Locational Capacity Limits**

**APPENDIX I FERC's Standards of Conduct**

**APPENDIX J PacifiCorp Transmission Waiver**

**APPENDIX K General Services Contract-Operations & Maintenance Services for Project**

**APPENDIX L Non-Price Scoring Matrix**

**APPENDIX M Role of the Independent Evaluator**

**APPENDIX N PacifiCorp's Organization for RFP Process**

## **APPENDIX A**

### **2020AS RFP Project Technical Specification for BTAs**

#### **[INCLUDED AS SEPARATE ATTACHMENTS]**

Project technical specifications for BTAs are provided in four categories:

1. General Technical Specification pertaining to all BTA bids
2. Wind Technical Specifications pertaining to all wind resource BTA bids
3. Solar Technical Specifications pertaining to all solar resource BTA bids
4. Battery Storage Technical Specifications pertaining to all battery storage BTA bids

PacifiCorp will provide any additional Technical Specifications for BTA bids with other resource types upon Notice of Intent to bid submittal.

## **APPENDIX B-1**

### **Notice of Intent to Bid**

Bidders who intend to be considered as part of the 2020AS RFP process must return complete:

1. **Appendix B-1 – Notice of Intent to Bid Form,**
2. **Appendix D - Bidder's Credit Information,** and
3. **Appendix G-1 - Confidentiality Agreement,** as set forth below.

Bidders shall submit an electronic copy of **Appendix B-1, Appendix D,** and **Appendix G-1** to the following PacifiCorp and IE's email addresses, no later than **5:00 p.m. Pacific Prevailing Time on Monday, July 20, 2020.**

**Email:**

PacifiCorp	<a href="mailto:RFPAllSource@PacifiCorp.com">RFPAllSource@PacifiCorp.com</a>
Utah IE – Merrimack Energy	<a href="mailto:MerrimackIE@merrimackenergy.com">MerrimackIE@merrimackenergy.com</a>
Oregon IE – PA Consulting	<a href="mailto:2020AS_IE@PAConsulting.com">2020AS_IE@PAConsulting.com</a>

### Notice of Intent to Bid Form

This is to declare that the undersigned intends to respond to PacifiCorp's 2020 All Source Request for Proposals, (2020AS RFP). If multiple facilities are being bid, please provide one Notice of Intent to Bid for each facility. A facility may have multiple bids alternatives (i.e., solar facility with PPA term of 20 years and 25 years).

### 2020 All Source Request for Proposals (2020AS RFP)

	Base Bid	Bid Alternative
Bidder Company (legal entity of intended signatory to a contract)		
Company Ownership (direct and indirect owners of Company; include organizational chart)		
Contact Person		
Mailing Address		
Phone(s)		
Email		
Project / Facility Name		
Resource type		
Storage type, if included		
Structure: BTA, PPA, BESS		
If a PPA or PPA with BESS, indicate term in years		
Size of each bid asset in MW capacity (nominal)		
Location (County, State)		
GPS coordinates		
Proposed point of interconnection to PacifiCorp's system or if off-system, proposed point of delivery		
PacifiCorp interconnection queue #		
Estimated Commercial Operation Date (month/year)		

### PacifiCorp Affiliate Certification

By signing below Bidder represents that (a) neither Bidder Company nor any affiliate of Bidder Company has an affiliate relationship (whether by ownership, joint venture or other association) with PacifiCorp or any PacifiCorp affiliate; (b) the proposed bid(s) is for power generated by facilities that are not owned by, or otherwise associated with PacifiCorp, or any PacifiCorp affiliate. For purposes of this certification, PacifiCorp affiliates include any affiliates of Berkshire Hathaway, Inc. A list of Berkshire Hathaway, Inc., affiliates will be provided upon request.

**Authorized Signature**

**Print Name**

**Title**

**Date**



## APPENDIX B-2

### Instructions and Information Required in Bid Proposals

This **Appendix B-2** describes PacifiCorp's expectations and requirements for the 2020AS RFP bids. In general, PacifiCorp expects bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. **Appendix E-1 - PPA Instructions to Bidder** and **Appendix F-1 – BTA Instructions to Bidder** provide additional detail on bid document deliverables. Due to differences between PPA and BTA bids, bidders should pay strict attention to instructions to ensure bids are in compliance with the instructions as outlined. For example, certain items in **Appendix B-2** will only apply to BTA proposals (as explained in the instruction document).

### Bid Checklist

Each bidder must provide complete information as requested. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the bid submittal. Specific appendices to include in the bid submittal are shown in column C for the applicable bid structure type in Column D or E.

Bid Checklist Table

A	B	C	D	E
	2020AS RFP Bid Applicability	Bid must include completed Appendix	Applicable to	
Appendix A	Resource Technical Specification		PPA/BSA/PSH	BTA
Appendix A-2	Interconnection Agreement, if available	X	X	X
Appendix A-3	Permit-Matrix	X	X	X
Appendix A-5	Project One-Line Drawing and Layout	X	X	X
Appendix A-6	Division of Responsibility	X		X
Appendix A-7	Owner Standards and Specification			X
Appendix A-9	Product Data- Equipment Supply Matrix	X	X	X
Appendix A-10	Plant Performance Guarantee/Warranties	X		X
Appendix B-1	Intent to Bid Form as submitted	X	X	X
Appendix B-2	Information Required in Bid Proposal		X	X
Appendix C-1	Bid Summary and Pricing Input Sheet Instructions		X	X
Appendix C-2	Bid Summary and Pricing Input Sheet	X	X	X
Appendix C-3	Energy Performance Report	X	X	X
Appendix E-1	PPA Instructions to Bidders		X	
Appendix E-2	Redline to PPA and exhibits (PPA or PPA w/ BESS)	X	X	
Appendix E-3	Redline to BSA and exhibits	X	X	
Appendix E-4	Redline to PSH Toll Termsheet	X		
Appendix F-1	BTA Instructions to bidders			X
Appendix F-2	Redline to BTA Term Sheet	X		X
Appendix G-1	Confidentiality Agreement	X	X	X
Appendix J	PacifiCorp Transmission Waiver	X	X	X
Appendix K	General Services Contract-O&M Services	X		X

## PROPOSAL FORMAT

PacifiCorp is requesting that bidders conform to the following format for presenting their bid information:

**Section 1 - Executive Summary of Proposal** - The executive summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid including a pricing summary for the bid and bid alternatives. Bidder must confirm the terms and conditions of their proposal will remain effective through April 22, 2021. Bidders selected to the initial shortlist will have an opportunity to update bid pricing on or about April 22, 2021 when PacifiCorp Transmission completes its transition interconnection cluster study. Failure of a bidder to honor the terms and conditions of its proposal for the period stated in its executive summary may result in the bidder being disqualified as a bidder in future RFPs.

**Section 2 – Resource Description** - This section should provide a description of the resource, including:

- Description of technology and configuration including:
  - i. Resource type
  - ii. Storage type if applicable
  - iii. Description of type of generation and/or storage equipment
  - iv. Manufacturers of major equipment (Bidders should complete **Appendix A-9 Product Data Equipment Supply Matrix**).
  - v. Date of manufacture or age of major equipment
  - vi. Hours of operation and major maintenance performed for any previously owned/operated equipment
- Appropriate appendices contained in **Appendix A - Resource Technical Specification** for PPA, BSA, and BTA bids.

PPA, BSA, and BTA bidders must provide submittals for and fulfill the requirements of:

- i. **Appendix A-2 Interconnection Agreement**, if available
- ii. **Appendix A-3 Permit Matrix**,
- iii. **Appendix A-5 Project One-Line Drawing and Layout**,
- iv. **Appendix A-9 Product Data-Equipment Supply Matrix**.

BTA bidders are also required to provide submittals for or narrative describing conformance to:

- i. **Appendix A-6 Division of Responsibility**
- ii. **Appendix A-7 Owners Standards and Specifications**
- iii. **Appendix A-10 Plant Performance Guarantee/Warranty**

- Completed tabs in **Appendix C-2 - Bid Summary and Pricing Input Sheet**, an excel spreadsheet which contains ten (10) tabs, as further described in **Appendix C-1**. Bidders providing multiple alternatives must provide a copy of **Appendix C-2 – Bid Summary and Pricing Input Sheet** for each alternative.
- Site layout description and location including GPS coordinates.

- Demonstration of site control for the project excluding right-of-way or easements for transmission, roads, or access to the site.
- Information regarding location and transmission availability, if applicable for off-system resource.
- Status of interconnection arrangements (location, transmission provider and control area). The interconnection arrangements should be provided in more detail under Section 6 – Interconnection and Transmission Service of the bid proposal.
- Status of transmission service agreement for off-system bids, if applicable.
- Expected and guaranteed annual energy production in megawatt-hours (MWh).
- Expected generation on a 12 month by 24 hour basis (i.e. a representative day for each month of the year).
- Annual percent (%) degradation of the annual energy production, if any.
- Estimated annual availability and any guaranteed minimum annual availability.
- Operating limits or any limits on the number of hours the resource may be operated per year or unit of time.
- Bidder must provide a forecasted energy performance analysis prepared by an independent third party engineering firm as further described in **Appendix C-3 - Energy Performance Report** for the type of resource proposed.
- Project schedule, listing tasks and milestones with estimated completion dates.
- Description of financing plan, if any.
- Terms of warranties and/or guarantees on major equipment.
- Description of operation and maintenance plan and services.

**Section 3 - Bidder's Qualifications** – Information in this section should include the information bidder supplied from **Appendix D – Bidder's Credit Information** in the Intent to Bid submittal. This section should include, but not be limited to, the following information:

- Corporate structure and primary and secondary businesses including all legal entity names.
- Location of offices.
- Biographies of key officers.
- Developer projects and independent power supply ventures participated in the last three to five years.
- At least one primary contact and one back-up contact (name, telephone number and e-mail address) for each project or power supply venture referenced in the bidder's proposal (for reference purposes).
- Description of any current or previous contract dispute(s) involving similar projects in which the bidder is or was involved during the last five years.
- Separate descriptions, as appropriate, for each member of a consortium or partnership of two or more firms and the relationship between the firms for this proposal.

**Section 4 - Financial Information** – Briefly summarize information provided pursuant to **Appendix D – Bidder’s Credit Information**.

**Section 5 - Pricing Proposal and Pro Forma Project Financing** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. BTA bids must provide pro forma financial projections showing cash flow, income statement, and balance sheet, application of tax credits, incentives or grants, sources and uses of funds, construction draw schedule, and include all financing assumptions. At a minimum the pro forma financial projections should include the following:

- Expected annual energy production<sup>1</sup> and revenue.
- Annual operating expenses including operations and maintenance costs, G&A expenses, land leases, royalty payments, property taxes, insurance and other expenses.
- Transmission service and ancillary services costs (if any).
- Debt service.
- Debt coverage ratios (by year).
- Depreciation.
- Taxes and tax credits, incentives, grants.
- Working capital requirements.
- Net income.
- Equity rate of return.

**Section 6 – Interconnection & Transmission Service** - Each proposal must include a description of the location of its proposed interconnection facilities, distribution or transmission facilities, including proposed delivery points. See **Appendix A-5 - Project One-Line Drawing and Layout**. Bidders should be aware of any transmission requirements or specifications that could affect their equipment selection and costs and take those specifications into consideration in preparing their bid submittal. Bidders should review and understand the North America Electric Reliability Corporation (NERC) guidelines regarding technical requirements and modeling for renewables.<sup>2</sup> A more detailed description of operating requirements and specifications is included in **Appendix A - Technical Specification** by resource type.

Bids with projects directly interconnected to PacifiCorp’s system. The cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp’s transmission system is not a minimum requirement and is excluded from the initial shortlist price evaluation.

Bidders will however, be required to meet the minimum eligibility requirement demonstrating that its project bid conforms with the project’s interconnection documentation, which could be: (a) an accepted interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp’s transmission function on or before January 31, 2020; (b) a serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp’s interconnection queue reform transition process; or (c) an executed LGIA.

Bids not directly interconnected to PacifiCorp’s system. Off-system bidders must include the following in their bid; (a) an unredacted interconnection system impact study with its third party transmission interconnection provider demonstrating interconnection is achievable on or before

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<sup>1</sup> Expected Annual Energy production must be the same value used in other parts of this proposal.

<sup>2</sup> NERC, Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources, September 2019

December 31, 2024, and (b) documentation of the availability of, and request for, long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to a proposed point of delivery acceptable by PacifiCorp on PacifiCorp's system.

**Section 7 – Environmental and Siting** – The bidder is exclusively and entirely responsible for meeting and satisfying all federal, state and local permits, licenses, approvals and/or variances required to assure physical delivery of energy in accordance with any PPA or BTA. Bidder must identify all applicable permits that bidder has secured or will be required to receive in order to construct and operate the facility as outlined in **Appendix A-3 – Permit-Matrix**. Bidders must furnish applicable detailed project site, interconnection and electric distribution/transmission information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk, and project viability. The proposed site(s) must clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Bidder must provide information on any scoping, feasibility and other associated studies conducted to assess environmental impacts and to obtain necessary permits. This information must include all studies related to wildlife (including protected species, such as those protected under the federal Endangered Species Act, federal Bald & Golden Eagle Protection Act, federal Migratory Bird Treaty Act and applicable state laws), archeological, vegetation, hydrological, geotechnical, visual, noise, air quality, and other environmental impacts related to the project. Impacts to designated wilderness, national and state parks, and other protected areas should be noted. The studies provided by bidder should describe the methodologies for such studies and identify the person(s) or firm(s) who conducted and completed the work. If such studies are in progress, bidder should describe the scope and schedule for completion and identify the person(s) or firm(s) doing the studies and methodologies to be employed. Bidder should describe measures that will be taken to minimize the potential for environmental, wildlife, visual and cultural impacts of the project. Finally, bidder should discuss plans to engage community and environmental stakeholders to support the proposed project.

To the extent applicable, the bidder should clarify the following information with respect to any proposed facility site (see **Appendix A – Technical Specifications** for additional detail applicable to specific resource type):

- i. List of studies conducted; required environmental, construction and other regulatory permits and timelines.
- ii. Prevailing noise ordinance at the site and expected sound level (A-weighted) at the site boundary.
- iii. Proposed site plans, layouts, elevations or other aspects of the facility.
- iv. Types of transportation access required.
- v. Characterization of the area surrounding the site including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- vi. Proximity and extent of nearest wetlands and description of types of all types of all nearby wetlands and water bodies, including any proposed impacts.
- vii. Information on fish, avian species and other wildlife and vegetation inhabiting the area of the project.
- viii. Proximity to nearest endangered or threatened or critical species habitat and information on all nearby endangered or threatened species which could potentially be impacted, including species protected under the federal Bald and Golden Eagle Protection Act and the federal Migratory Bird Treaty Act.

- ix. Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- x. Location and distance to population centers which could be impacted.
- xi. Expected site ambient temperature extremes and verification that freeze protection will be provided if necessary.

**Section 8 – Contract Terms** – Bidder must identify with specificity any exceptions to the terms of the PPA documents, the BSA, the PSH termsheet, or the BTA Termsheet, as applicable, as provided in **Appendix E-2 Power Purchase Agreement (PPA) Documents, Appendix E-3 Battery Storage Agreement (BSA) Documents, Appendix E-4 Pumped Storage Hydro (PSH) Documents, or Appendix F-2 Build Transfer Agreement (BTA) Termsheet.** Bidder should include both a list of exceptions to the terms of the agreement including comments to terms and conditions that bidder has issues with and a mark-up of either of the pro-forma PPA, BSA, PSH termsheet, or the BTA term sheet. Bidders objecting to terms should provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the alternate language. Conformity to those documents is strongly encouraged and significant revisions and exceptions to the pro-forma PPA, BSA, PSH termsheet, or BTA Termsheet will influence PacifiCorp’s non-price evaluation of the bid. NOTE: PSH bidders will be allowed to submit their own version of a toll termsheet for their project as an alternative to a full mark-up of Appendix E-4

**Section 9 – O&M Services Contract Terms (BTA Option Only)** – BTA bidders must provide a comprehensive listing/description of all contract terms that the bidder would seek during contract negotiations regarding operating and maintenance services for the asset. Bidder may supply a markup of the documents found in **Appendix K - General Services Contract-Operations & Maintenance Services for Project** with their proposal, **although conformity to those documents is strongly encouraged.** Bidders objecting to terms are encouraged to provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the language.

## APPENDIX C-1

### Bid Summary and Pricing Input Sheet (Instructions)

#### **General Bid Summary Instructions for PPA, BSA, PSH, and BTA.**

Bidder should complete and submit **Appendix C -2 - Bid Summary and Pricing Input Sheet**. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for bid type and category as described in Table 1 of the RFP. There are ten (10) tabs on this worksheet:

Tab	Description	Resource Category				Structure			
		Renewable	Renewable plus storage	Standalone Storage	Non-Renewables	PPA	BTA	BSA	PSH
1	Data Inputs	X	X	X	X	X	X	X	X
2	8760 First Year Generation Profile	X	X			X	X		
3	PPA Pricing	X	X	X	X	X			
4	Battery Pricing & Ops		X	X				X	
5	Non-Renewable Price Schedule				X	X			X
6	BTA Pricing	X	X		X		X		
7	Non-Renewable Site Info				X	X	X		
8	Startup Parameters				X	X	X		
9	Expected Performance				X	X	X		
10	Additional Data	X	X	X	X	X	X	X	X

#### **Power Purchase Agreement**

1. Bidder's submitting PPA bids shall provide the information requested in **tabs 1, 2 and 3** in the **Appendix C-2** spreadsheet.
2. Non-renewable bids would include **tabs 1, 3 and 5** in the **Appendix C-2** spreadsheet.
3. **Tab 10** can be used for any additional information to support bid.

#### **Battery Storage Agreement**

1. BSA bids shall provide the information requested in **tabs 1 and 4** in the **Appendix C-2**.
2. **Tab 10** can be used for any additional information to support bid.

#### **Pumped Storage Agreement**

1. PSH bids shall provide the information requested in **tabs 1 and 5** in the **Appendix C-2**.
2. **Tab 10** can be used for any additional information to support bid.

#### **Build-Transfer Agreement**

1. For renewable BTA, bidders shall complete **tabs 1, 2 and 6** in the **Appendix C-2**.
2. For non-renewable BTA, bidders shall complete **tabs 1, 6, 7, 8, and 9** in the **Appendix C-2**.
3. **Tab 10** can be used for any additional information to support bid.

4. Operating Expenses: Please provide complete information on the following, including any assumptions made on a forward basis (e.g., escalation rates):
- Warranty Period and Characteristics for the overall project and the major equipment.
  - Annual O&M – Facilities, \$ per year.
  - Annual O&M - Substation/Interconnection, \$ per year.
  - Auxiliary services electric energy costs, \$ per year.
  - Land Lease costs (describe), \$ per year.
  - Royalty payments (describe), \$ per year and/or \$/MWh.
  - Property Tax.
    - a. Expected Rate %
    - b. Rate Escalation %
    - c. Initial Cost Assessed Value \$000
    - d. Replacement Cost Escalation %
    - e. Depreciation Method
  - Any property in lieu of taxes (PILOT) or other grants.

**Additional Information**

Bidder should provide any other information considered to be germane to PacifiCorp's analysis of bidder's submittal.



## **APPENDIX C-2**

### **Bid Summary and Pricing Input Sheet**

(Provided as separate electronic spreadsheet)

## APPENDIX C-3

### Energy Performance Report

Bidder must provide the expected performance of the resource as it varies with ambient conditions and other factors that will impact the performance of the resource. To the extent pricing, capability and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the bidder must clearly identify that relationship in tabular form. The energy performance report should be prepared by an independent third party or in the alternative, bidders can provide an in-house energy performance report subject to PacifiCorp being able to replicate the results.

The energy performance report should detail how it was prepared and also contain the following as applicable for wind and solar:

- All BTA bid submittals must include a minimum of two years of on-site meteorological tower data, converted to an estimated MWh of production on an hourly time scale. . PacifiCorp will accept two years of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA and BTA bids. However, should a solar BTA bidder be selected to the initial shortlist, to remain on the initial shortlist, bidder must commit to install at least one solar monitoring station on the proposed solar site by November 15, 2020 with the ability to capture solar irradiance data for at least eight months and prior to being considered for the final shortlist. If a solar BTA bidder is selected to the final shortlist, bidder will commit to maintaining at least one on-site solar monitoring station through the entire construction period and provide the solar monitoring station and all collected solar irradiance data to PacifiCorp at BTA closing.
- PPA bid submittals must include a minimum of one year of on-site meteorological tower data or equivalent if solar, converted to an estimated MWh production on an hourly time scale. PacifiCorp will accept one year of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA bids.

#### Wind

1. General Site Data
  - a. How was the wind data collected, certified and correlated to the reference points?
  - b. Who provided the wind data analysis service?
  - c. What is reference height, or heights, of the meteorological data?
  - d. How was the wind data adjusted for the turbine hub height?
  - e. What is the estimated wind shear and how was the wind shear calculated?
  - f. What is the accuracy of the wind and energy forecast?
  - g. What is the basis year of the underlying data? Are the references years high, low, or average years?
  - h. How was generation output calculated from the meteorological data?
  - i. Identify the specific de-ratings included in the energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?
2. Energy Production Estimate
  - a. Predicted hub height mean wind speed and gross and net energy production for the full project.
  - b. Predicted long-term site air density.
  - c. Turbine power curve employed and description of any adjustments made to the power curve.

- d. Description of methodology employed to calculate energy losses due to array effects
- e. Clear breakdown of applied energy loss factors.
- f. Monthly and diurnal pattern of predicted energy production with an explanation of the variation.
- g. Analysis of the uncertainty associated with the predictions provided in the assessment.
- 3. Bidders may be asked to provide the following:
  - a. Site Wind Data
    - i. Raw hourly or ten-minute wind speed and direction data.
    - ii. Description of equipment used to record data.
    - iii. Calibration certificates for equipment.
    - iv. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds.
    - v. Maintenance records for the monitoring equipment.
    - vi. Location, height and orientation relative to mast of all sensors.
  - b. Reference Wind Data
    - i. Hourly or ten-minute wind speed and direction data.
    - ii. Description of equipment used to record data.
    - iii. Calibration certificates for equipment.
    - iv. Maintenance records for the monitoring work.
    - v. Location, height and orientation relative to mast of all sensors.
  - c. Wind Project Information
    - i. Layout of wind project turbine array using latitude and longitude co-ordinates.
    - ii. Detailed topographic maps of project area with all mast and turbine locations.
  - d. Verification and Analysis
    - i. Details of instrument configurations and measurement periods for each site mast and reference station.
    - ii. Summary of mast maintenance records and explanations for significant periods of missing data.
    - iii. Data recovery rates and measured monthly means for masts employed in the assessment.
  - e. Prediction of Wind Regime
    - i. Description of methodology employed to adjust measured wind speeds on site to the long-term.
    - ii. Correlation plots and coefficients for relevant correlations in the assessments.
    - iii. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment.
    - iv. Annual wind speed and direction frequency distribution for long-term site masts.
    - v. Plot of annual wind rose for long-term site masts.
    - vi. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height.
  - f. Prediction of Wind Speed Variations
    - i. Description of methodology employed to predict wind speed variations across the site.
    - ii. Details of wind flow modeling employed and any inputs to the model (where applicable).

## **Solar**

Solar bids should address the following:

1. How was the resource data collected, certified and correlated to the reference points?

2. Who provided the data analysis service?
3. What is the accuracy of the raw data for the resource and energy forecast?
4. Was a typical weather year (highly preferred), an average year, or a specific weather year (i.e. 2016) used as the basis of the energy analysis for the project? If a specific weather year or an average of weather years was used, are the reference years high, low, or average years?
5. How the generation output was calculated from the meteorological and solar insolation data.
6. Identify the specific de-ratings included in the energy forecast (i.e., soiling, mismatch, wiring, inverter, transformation losses, etc.)?

## **Geothermal**

Geothermal bids should address the following:

1. Minimum of one production well and one injection well flow results to support the viability and capacity of geothermal resource. For results in excess of three (3) years, summarize the results for all years and provide the detail for the past three (3) years of production well flow tests.
2. Summary of all collected geothermal data for the proposed generating facility site.
3. Characterization the geothermal resource quality, quantity and projected production levels.
4. Graph or table that illustrates the annual and monthly projection of geothermal resources.
5. Description of any other existing geothermal facilities in the resource area and characterize their production and their anticipated impact, if any, on the generating facility.

## **Biomass and Biogas**

Biomass and biogas bids should address the following:

1. Fuel makeup and its source.
2. Third-party resource assessment reports of available fuel for the generating facility and its proximity to the generating facility. Such resource assessments should include a discussion of long-term fuel price risk and availability risk issues.
3. Identify competing resource end-uses.
4. Provide a plan for obtaining the fuel, including a transportation plan.
5. Identify any contracts or option agreements to acquire and transport the fuel.
6. Provide an agreement or option agreement with a fuel source for a period of ten (10) years or greater.

## APPENDIX D

### Bidder's Credit Information

Please provide the following information with **Appendix B-1 - Intent to Bid Form** to enable PacifiCorp to evaluate the financial viability of the bidder and any entity(ies) providing credit assurances on behalf of the bidder, if applicable.

#### Bidder's Credit Information

1. Credit information for bidder
  - a. Exact legal name and address of bidder.
  - b. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
  - c. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
  - d. Identify pending legal disputes (describe).
  - e. Please state whether bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.
  - f. If bidder is unable to provide audited financial statements or is relying upon another entity(ies) to provide credit assurances on its behalf, bidder must indicate so here and complete the following section.
    - i. Is bidder unable to provide audited financial statements?
    - ii. Is bidder relying upon another entity(ies) to provide credit assurances on bidder's behalf?
  - g. Bidder should demonstrate its ability and/or the ability of its credit support provider to provide the required security, including its plan for doing so including type of security, sources of security, and a description of its credit support provider.
  - h. Bidder should provide a reasonable demonstration of its ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence that the project is financeable.
2. Credit information for entity(ies) providing credit assurances on behalf of bidder (if applicable)
  - a. Exact legal name and address of entity(ies) providing credit assurances on behalf of bidder.
  - b. Describe relationship to bidder and describe type of credit assurances to be provided (e.g., parental guaranty, cash deposit, or a letter of credit from an acceptable financial institution). Bidder must provide to Company a letter to Company from the entity(ies) providing the credit assurances on behalf of the bidder executed by an authorized signatory and indicating their form of credit assurances it will provide. It should be noted that more than one commitment letter, or more than one form of commitment letter, may be necessary.
  - c. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a senior unsecured long term debt rating is unavailable). Please indicate type of rating, rating, and source:
  - d. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

- e. Describe any pending legal disputes.
- f. Please state whether entity(ies) providing credit assurances on behalf of the bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

### **Credit Requirements**

The bidder may be required to post credit assurances for the applicable bid categories of Power Purchase Agreement (PPA) or Build Transfer Agreement (BTA), each of which will be expected to have a commercial operation date of no later than December 31, 2024. PacifiCorp will require a letter from the entity providing financial assurances at the bid submittal stating that it will provide financial assurances on behalf of the bidder.

If necessary, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. PacifiCorp will require each bidder to provide an acceptable commitment letter(s), if applicable, twenty (20) business days after the bidder is notified that the bidder has been selected for the Initial Shortlist. Bidder will be required to provide any necessary guaranty commitment letter from the entity(ies) providing guaranty credit assurances on behalf of the bidder and/or any necessary letter of credit commitment letter from the financial institution providing credit assurances in the form of a Letter of Credit. Forms of commitment letters are part of this **Appendix D**. The timing of when credit security must be posted is detailed in the Credit Security Requirements Methodology section, which is also part of this **Appendix D**.

### **Amount of Credit Assurances to be Posted**

The RFP selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

1. Type of resource agreement.
2. Size of resource.
3. Expected energy delivery start date.
4. Term of underlying contract.
5. Creditworthiness of bidder and bidder's credit support provider, if applicable.

In addition, please note that a financial institution providing credit assurances on behalf of the bidder must be a major U.S. commercial bank and have at all times a Credit Rating of at least 'A' and 'A2' from S&P and Moody's, respectively, and have assets (net of reserves) of at least \$10,000,000,000. Should the financial institution providing credit assurances on behalf of the bidder fail to meet these minimum requirements PacifiCorp will require credit assurances from a replacement financial institution that does meet the requirements.

The Credit Rating is defined as the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) from Moody's Investor Services. If option x) or y) is not available, the Credit Rating will be determined by the Company through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party. All bidders will receive a Credit Rating which will be used in determining the amount of any credit assurances to be posted.

#### Power Purchase Agreement and Battery Storage Agreement

For PPAs and BSAs, PacifiCorp views its potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2024 or the bidder failed at any time during the life of the contract. The potential for this cost to change is greater for this resource group due to the term of the underlying contract. PacifiCorp will hold any credit security for a longer period, due to the length of the contract. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size, to be provided at contract execution. The amount of credit assurances required will be reduced to **\$100.00/kW** upon the project achieving commercial operation date and will be held until the agreement expires.

#### Build Transfer Agreement

For all resources that involve a physical asset with appropriate step-in rights, PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2024. If the failure occurred near the expected commercial operation date, PacifiCorp would also potentially have to procure energy and other environmental attributes associated with the energy in the open market at then-prevailing market prices. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size. The credit assurance requirement will be terminated upon the project achieving commercial operation date with proven production tax credit eligibility of all wind turbine generators.

For PPAs, BSAs, and BTAs, PacifiCorp will also explore with a bidder, if selected, other commercial avenues to reduce security requirements, such as, but not limited to, reduction in security amounts as project development milestones met, a stipulated acceleration of commercial operation date(s) (i.e., prior to October 2024) or PacifiCorp's review of bidder's underlying third party contractual terms, provisions and/or incentives that further support bidder achieving commercial operations prior to December 31, 2024.

#### **Posting of Credit Security**

Terms and conditions for the posting of security are set forth in the applicable pro-forma documents or termsheet which as noted above can be negotiated relative to milestones and amounts. If applicable, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. Forms of commitment letters are a part of this **Appendix D**.

#### **PacifiCorp Security**

Please note that PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

## FORM OF GUARANTY COMMITMENT LETTER

(Must be on letterhead of bidder's guarantor)

PacifiCorp  
825 NE Multnomah Street, Suite 600  
Portland, OR 97232  
Attn: Credit Department

To Whom It May Concern:

[NAME OF GUARANTOR] ("Guarantor") is [INSERT RELATIONSHIP TO BIDDER] ("Bidder").

In connection with Bidder's submittal in PacifiCorp's 2020AS Request for Proposals ("RFP"), this commitment letter contains Guarantor's assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, Guarantor will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to PacifiCorp, and that Guarantor will guarantee all obligations of payment and performance of Bidder to PacifiCorp as Guarantor's independent obligation (up to a maximum amount of \$\_\_\_\_\_, plus expenses of enforcing the guaranty).

Guarantor understands that PacifiCorp will not enter into a transaction with Bidder without said guaranty. Guarantor further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor)  
(name and title of authorized officer)



## FORM OF LETTER OF CREDIT COMMITMENT LETTER

(Must be on letterhead of entity(ies) providing the letter of credit on behalf of the bidder)

PacifiCorp  
825 NE Multnomah Street, Suite 600  
Portland, OR 97232  
Attn: Credit Department

To Whom It May Concern:

In connection with Bidder's submittal in PacifiCorp's 2020AS Request for Proposals ("RFP"), this commitment letter contains [ISSUING BANK]'s assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, [ISSUING BANK] will at that time issue an irrevocable standby letter of credit in form and substance reasonably satisfactory to PacifiCorp, up to a maximum amount of \$\_\_\_\_\_.

[ISSUING BANK] understands that PacifiCorp will not enter into a transaction with Bidder without said letter of credit. [ISSUING BANK] further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of entity(ies) providing the letter of credit)  
(name of authorized officer)

## APPENDIX E-1

### PPA, BSA, and PSH Instructions to Bidders

#### PPA and BSA Bid Checklist

Each bidder must provide complete information as requested and described in **Appendix B-2 Instructions and Information Required in Bid Proposals**. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the PPA and BSA bid submittal.

A	B	C
	<b>2020AS RFP Bid Applicability</b>	<b>Bid must include completed Appendix</b>
Appendix A	Resource Technical Specification	
<i>Appendix A-3</i>	<i>Permit-Matrix</i>	X
<i>Appendix A-5</i>	<i>Project One-Line Drawing and Layout</i>	X
<i>Appendix A-6</i>	<i>Division of Responsibility</i>	
<i>Appendix A-7</i>	<i>Owner Standards and Specification</i>	
<i>Appendix A-9</i>	<i>Product Data- Equipment Supply Matrix</i>	X
<i>Appendix A-10</i>	<i>Plant Performance Guarantee/Warranties</i>	
Appendix B-1	Intent to Bid Form as submitted	X
Appendix B-2	Information Required in Bid Proposal	X
Appendix C-1	Bid Summary and Pricing Input Sheet instructions	
Appendix C-2	Bid Summary and Pricing Input Sheet	X
Appendix C-3	Energy Performance Report	X
Appendix E-1	PPA Instructions to Bidders	
Appendix E-2	Redline to PPA and exhibits	X
Appendix E-3	Redline to BSA and exhibits, if applicable	X
Appendix E-4	Redline to PSH Termsheet	X
Appendix F-1	BTA Instructions to bidders	
Appendix F-2	Redline to BTA Term Sheet	
Appendix G-1	Confidentiality Agreement	X
Appendix J	PacifiCorp Transmission Waiver	X
Appendix K	General Services Contract-O&M Services	

## **Appendix E-2**

### **Power Purchase Agreement (PPA) Documents Including PPA Appendices**

**[INCLUDED AS A SEPARATE ATTACHMENT]**

Appendix E-2 contains two forms of PPAs:

1. PPA for renewable or non-renewable / No BESS: Renewable pertains to wind, solar and other renewables. PPA is footnoted to identify terms and conditions that would be removed to accommodate a non-renewable PPA.
2. PPA for renewable plus BESS.

### **Appendix E-3**

#### **Battery Storage Agreement (BSA) Documents**

**[INCLUDED AS A SEPARATE ATTACHMENT]**

Standalone Battery Storage Termsheet

## **Appendix E-4**

### **Pumped Storage Hydro (PSH) Documents**

**[INCLUDED AS A SEPARATE ATTACHMENT]**

Pumped Storage Hydro Termsheet

## APPENDIX F-1

### BTA Instructions to Bidders

#### BTA Bid Checklist

Each bidder must provide complete information as requested and described in **Appendix B-2 Instructions and Information Required in Bid Proposals**. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the BTA bid submittal.

A	B	C
	2020AS RFP Bid Applicability	Bid must include completed Appendix
Appendix A	Resource Technical Specification	
<i>Appendix A-3</i>	<i>Permit-Matrix</i>	X
<i>Appendix A-5</i>	<i>Project One-Line Drawing and Layout</i>	X
<i>Appendix A-6</i>	<i>Division of Responsibility</i>	X
<i>Appendix A-7</i>	<i>Owner Standards and Specification</i>	X
<i>Appendix A-9</i>	<i>Product Data- Equipment Supply Matrix</i>	X
<i>Appendix A-10</i>	<i>Plant Performance Guarantee/Warranties</i>	X
Appendix B-1	Intent to Bid Form as submitted	X
Appendix B-2	Information Required in Bid Proposal	X
Appendix C-1	Bid Summary and Pricing Input Sheet instructions	
Appendix C-2	Bid Summary and Pricing Input Sheet	X
Appendix C-3	Energy Performance Report	X
Appendix E-1	PPA Instructions to Bidders	
Appendix E-2	Redline to PPA and exhibits	
Appendix E-3	Redline to BSA and exhibits, as applicable	
Appendix E-4	Redline to PSH Termsheet	
Appendix F-1	BTA Instructions to bidders	
Appendix F-2	Redline to BTA Term Sheet	X
Appendix G-1	Confidentiality Agreement	X
Appendix J	PacifiCorp Transmission Waiver	X
Appendix K	General Services Contract-O&M Services	X

## **APPENDIX F-2**

### **Build Transfer Agreement (BTA) Documents**

**[INCLUDED AS SEPARATE ATTACHMENTS]**

For the 2020AS RFP, Appendix F-2 is a term sheet with major terms and conditions that will be applicable in the negotiated BTA.

## APPENDIX G-1

### Confidentiality Agreement

#### MUTUAL CONFIDENTIALITY AGREEMENT

This MUTUAL CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the \_\_ day of \_\_\_\_\_, 2020 (the "Effective Date"), by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and \_\_\_\_\_ ("Counterparty").

WHEREAS, Counterparty is submitting a bid in response to PacifiCorp's 2020AS Request for Proposals (the "Bid"), and in connection therewith the parties wish to exchange certain Confidential Information (as hereinafter defined).

NOW, THEREFORE, in consideration of the above and the mutual promises herein contained, the parties hereto agree as follows:

1. Confidential Information. "Confidential Information" means information made available by one party (the "Disclosing Party") to the other (the "Recipient") on or after the Effective Date, that is in a writing marked conspicuously as "CONFIDENTIAL," and is any of the following in relation to the Bid or PacifiCorp's evaluation of the Bid: (a) non-public financial information of the Disclosing Party or its proposed guarantor, if any, (b) the specifics of the price and business terms and conditions of the Bid; or (c) documentation exchanged between the parties pertaining to PacifiCorp's evaluation of the Bid or negotiation with Counterparty on a definitive agreement in relation to the Bid. Confidential Information does not include information which at the time of disclosure: (x) is generally available to the public (other than as a result of disclosure by Recipient), (y) was available to Recipient on a non-confidential basis from a source other than a Disclosing Party not actually known by Recipient to be under a duty of confidentiality to a Disclosing Party, or (z) independently developed by Recipient without reliance on the Confidential Information.

2. Confidentiality; Disclosure.

(a) Until the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, the Confidential Information will be kept confidential by Recipient and will not be used knowingly for any purpose by Recipient other than for the purpose set forth above and Recipient must restrict the dissemination of the Confidential Information to its employees who have a need to see it.

(b) Upon the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, Recipient's obligations to Disclosing Party with respect to the Confidential Information will automatically be governed solely by the rules and procedures governing such docket and not by this Agreement.

3. Protective Order. Except as provided in Section 2(b) of this Agreement, if Recipient becomes legally compelled to disclose any Confidential Information, it must provide Disclosing Party with



prompt prior written notice so that Disclosing Party may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, Recipient must (i) furnish only that portion of the Confidential Information which, in accordance with the advice of its own counsel, is legally required to be furnished, and (ii) exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information so furnished. Notwithstanding the foregoing, and without limiting Section 2(b), the parties acknowledge that PacifiCorp is required by law or regulation to report certain information that could embody Confidential Information from time to time, and may do so from time to time without providing prior notice to Counterparty. Such reports include models, filings, and reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as the North American Electric Reliability Corporation, Western Electricity Coordinating Council, Pacific Northwest Utility Coordinating Committee, Western Regional Generation Information System, or similar or successor organizations, or similar or successor forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Information, and may do so without prior notice and use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures.

4. Conduct of Process. Neither PacifiCorp nor Counterparty is under any obligation, and each party is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement will prevent PacifiCorp from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Counterparty. Until PacifiCorp and Counterparty enter into a definitive agreement, no contract or agreement or other investment or relationship is deemed to exist between them as a result of this Agreement, the issuance of a term sheet, the issuance, receipt, review or analysis of information, the negotiation of definitive documentation, or otherwise, and none of the foregoing may be relied upon as the basis for an implied contract or a contract by estoppel.

5. Intellectual Property Rights. Nothing contained herein grants any rights respecting any intellectual property (whether or not trademarked, copyrighted or patented) or uses thereof.

6. Costs and Expenses. Except as otherwise provided in any other written agreement between the parties, the parties will bear their own costs and expenses, including without limitation fees of counsel, accountants and other consultants and advisors.

7. Remedies. Disclosing Party is entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof, in addition to all other remedies available to it at law or in equity. In no event will any party be liable to the other for punitive or consequential damages for any alleged breach hereof. No failure or delay by a party in exercising any right, power or privilege hereunder will operate as a waiver, nor will any single or partial exercise or waiver of a right, power or privilege preclude any other or further exercise thereof. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. SUCH WAIVERS WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

8. Venue and Choice of Law. This Agreement is governed by the laws of the State of Oregon. Any suit, action or proceeding arising out of the subject matter hereof, or the interpretation, performance or breach hereof, will be instituted in any State or Federal Court in Multnomah County, Oregon (the "Acceptable Forums"). Each party agrees that the Acceptable Forums are convenient to it, and each party irrevocably submits to the jurisdiction of the Acceptable Forums, and waives any and all objections to jurisdiction or venue that it may have any such suit, action or proceeding.

9. Miscellaneous. The term of this Agreement is two years from the date hereof. This Agreement constitutes the entire agreement of the parties relating to its subject matter, and supersedes all prior communications, representations, or agreements, verbal or written. This Agreement may only be waived or amended in writing. Notices hereunder must be in writing and become effective when actually delivered. This Agreement may be executed in counterparts, each of which, when taken together, will constitute one and the same original instrument. Neither party may assign or otherwise transfer its rights or delegate its duties hereunder without the prior written consent of the other party, and any attempt to do so is void.

IN WITNESS WHEREOF, the undersigned parties have executed this Mutual Confidentiality Agreement as of the date first written above.

PACIFICORP  
an Oregon corporation

a

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

## APPENDIX G-2

### Non-Reliance Letter

825 N.E. Multnomah  
Portland, Oregon 97232  
(503) 813-5000

Date

[Name]

[Address]

Re: PacifiCorp's 2020AS Request for Proposals Renewable Resources

Dear [\_\_\_\_\_]:

This letter clarifies PacifiCorp's rights relating to its further evaluation and discussion of your possible involvement with \_\_\_\_\_ ("Counterparty") proposal submitted in response to PacifiCorp's Request for Proposals ("RFP") (collectively with Counterparty's proposal and all matters relating thereto, the "Project") and any subsequent negotiations regarding the terms of any agreement or agreements entered into with you or any other party in connection with the Project. PacifiCorp will agree to enter into further discussions with you only upon your prior acknowledgement of these rights. "You" and similar words (whether or not capitalized) refer to the addressee of this letter, Counterparty, and any Project development entity or other affiliate of the addressee in any way involved in the Project.

PacifiCorp is committed to following a fair process in selecting the winning proposal. However, PacifiCorp reserves the right, in its sole discretion, to terminate the consideration of the Project and any discussions with you or any other parties (such as your lenders) relating to the Project at any time and for any reason without incurring any liability for costs or expenses incurred by you in the course of, or as a result of, your participation in the bidding process or negotiations respecting the Project, including but not limited to any costs or expenses related to or arising from the preparation or submission of your proposal, your legal fees, transmission or environmental studies or reviews, expenses of any third party incurred at your behest, your participation in discussions with PacifiCorp, the Project, or any development costs incurred by you in connection with this process. The submission of a proposal by Counterparty and PacifiCorp's decision to engage in further discussions with you does not constitute acceptance of the Project, and will not obligate PacifiCorp to accept or to proceed further with the Project. The acceptance of any proposal and the commencement of the Project are contingent on a number of factors, including but not limited to financial and creditworthiness considerations, strategic decisions, resource planning, regulatory approvals, and the approval of PacifiCorp's board of directors and/or shareholders. PacifiCorp makes no representation as to the likelihood of Counterparty's proposal being accepted or of the Project being commenced and, if PacifiCorp decides not to accept Counterparty's proposal or the Project, you hereby

fully and forever release and discharge PacifiCorp of all liability whatsoever, whether arising from your alleged reliance on PacifiCorp's acceptance of the Project or any part thereof or whether based upon any other action or claim in tort, contract, promissory estoppel, equity, negligence or intentional conduct, and PacifiCorp will not be liable for any amount of liability or damages, including but not limited to any amounts for incidental, special, consequential or punitive damages.

PacifiCorp reserves the right to engage in discussions with multiple parties simultaneously with respect to this RFP or any other matter, and to accept or reject any type of proposal of any party in its sole discretion. PacifiCorp also reserves the rights to reject all proposals relating to this RFP, and to pursue any other course it deems appropriate, including without limitation the development of a cost-based, self-build alternative.

PacifiCorp will have no obligations to you with respect to the Project unless and until the execution by all applicable parties of one or more definitive written agreements (the "Definitive Agreements") in form and substance satisfactory to the parties entering into such Definitive Agreements and then only to the extent stated therein. No contract will nor will be deemed to exist, whether by estoppel or otherwise, in any other way than execution and delivery (if ever) of the Definitive Agreements. The execution (if any) of any Definitive Agreements would be subject, among other things, to the satisfactory completion of due diligence by such parties as well as the satisfaction of applicable financial, environmental and other regulatory requirements as determined by PacifiCorp. If PacifiCorp selects the Project, then except as specifically set forth in the Definitive Agreements, PacifiCorp will have no obligations to you in the event that the Project or any part thereof is discontinued, cancelled, stopped, or terminated for any reason whatsoever, including without limitation financial or creditworthiness considerations concerning you or any contemplated source of Project-related funds, third-party delay or failure (with PacifiCorp's transmission function constituting a third party for purposes hereof), regulatory restrictions, transmission infrastructure restrictions, environmental or community challenges, or the Project is embargoed, restrained, subject to labor strike or lockout, destroyed, subject to terrorist attack or any other force beyond your control, is incapable of receiving required electricity transmission or network service, or is otherwise rendered impossible to complete by the times set forth in the Definitive Agreements for any other reason, whether your fault or not.

Whether or not the Project is commenced and Definitive Agreements executed, you will be responsible to pay your own fees and expenses, including without limitation legal fees and expenses, incurred in connection with the preparation, discussion and negotiation of the Project as well as the preparation, negotiation, execution and delivery of the Definitive Agreements and any other agreements or documents contemplated thereby, and PacifiCorp will not be responsible for any of those fees and expenses.

If the foregoing is acceptable, please indicate so by executing and dating this letter in the space indicated below.

Sincerely,

PacifiCorp

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED AND AGREED:

***[Insert Name of Party]***

By: \_\_\_\_\_

Name: \_\_\_\_\_

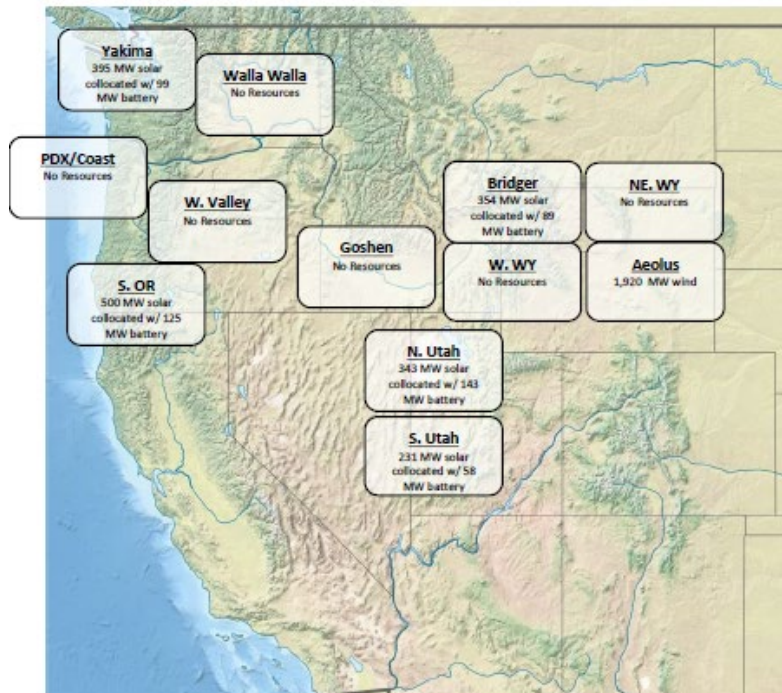
Title: \_\_\_\_\_

Date: \_\_\_\_\_

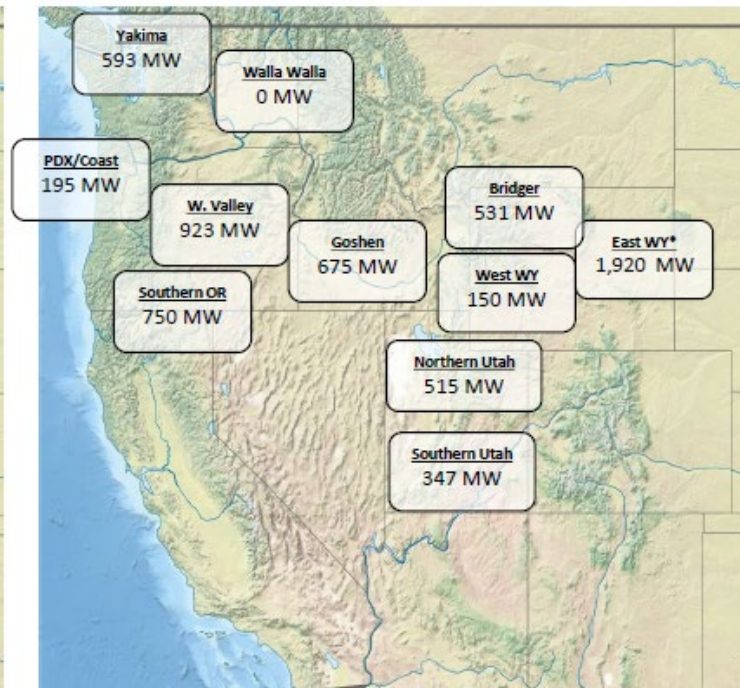
## APPENDIX H

### 2020AS RFP Locational Capacity Limits

2019 IRP Preferred Portfolio Resources Online by Year-End 2023  
(Excludes Customer Preference Resources)



Locational Initial Shortlist Capacity Limits  
(1.5x Pref. Port. or 1.5x Assumed Interconnection Limit)



\*Note, eastern Wyoming includes Aeolus and NE Wyoming, which combined, will be limited to 1,920 MW.

## APPENDIX H-1

### Major Substations associated with Locational Capacity Limits

Matrix identifies the major substations that are associated with the Locational Capacity Limits in Appendix H. Some areas could be subject to additional transmission constraints during the IRP modeling process that may require further evaluation in consultation with the IE depending on bids received. Those are identified in the table notes.

WYOMING		UTAH		OREGON	WASHINGTON
<b>Bridger</b>	<b>East WY</b>	<b>Northern Utah</b>	<b>Southern Utah</b>	<b>Southern Oregon</b>	<b>Walla Walla</b>
Jim Bridger	Aeolus	Ben Lomond	Abajo	Captain Jack	Talbot
	Amasa	Black Rock	Emery	PacifiCorp's Malin 500 kV	Walla Walla
<b>West WY</b>	Bar Nunn	Chappel Creek	Enterprise	Baldwin Road (2)	
Rock Springs	Casper	Chimney Butte	Enterprise Valley	Corral(2)	<b>Yakima</b>
Lima	Dave Johnston	Clover	McFadden	Houston Lake (2)	Sunnyside
Raven	Foote Creek	Craner Flat	Moore	Ponderosa (2)	
West Vaco	Freezeout	Homestead Knoll	Parowan	Stearns Butte (2)	<b>IDAHO</b>
	Heward	Horseshoe	Pavant		<b>Goshen</b>
	Latigo	Lampo	Sigurd	<b>Portland/Coast</b>	Antelope
	Shirley Basin	Limber	Salina	None identified	Goshen
	Standpipe	Mathington	South Milford		Kettle
	Windstar	Mona	Three Peaks	<b>Willamette Valley</b>	
	Yellowtail	Oquirrh	West Cedar	None identified	<b>Borah (1)</b>
		Sage			Populus
		Summit Creek			
		Terminal			<b>MONTANA (3)</b>
		Tooele Depot			Broadview
					Colstrip
					Gordon Butte

#### **NOTES**

1. Goshen – Borah is a sub-area of Goshen
2. Southern OR - Prineville is a sub-area of Southern OR
3. Montana included based on 2019 IRP topology

## **APPENDIX I**

### **FERC's Standards of Conduct**

As a transmission provider, PacifiCorp is required to comply with FERC's Standards of Conduct which govern interactions between PacifiCorp's Transmission Function and its Marketing Function. Under the Standards of Conduct, PacifiCorp's Transmission Function employees must function independently of PacifiCorp's Marketing Function employees. Marketing Function employees cannot have access to transmission control center or other transmission facilities or information systems that differ in any way from the access provided to non-affiliated transmission customers. The Standards of Conduct prohibit Marketing Function employees from gaining access to any information about PacifiCorp's transmission system that is not posted on the OASIS or otherwise made publicly-available to all other market participants.

Under the Standards of Conduct, FERC will allow certain non-operating employees to be shared between the Transmission Function and Marketing Function. Under FERC's "no-conduit rule", shared employees may receive confidential transmission system or marketing information, but they are prohibited from sharing such information with Marketing Function employees through any non-public or off-OASIS communications.

#### **Market Function Employees**

PacifiCorp has identified the following business groups as Marketing Function Business Units of PacifiCorp:

Energy Supply Management

Energy Trading

Origination

#### **Transmission Function Employees**

PacifiCorp's Transmission Function includes: employees, contractors, consultants or agents of PacifiCorp who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, or carrying out transmission-related operations.

#### **Shared Employees**

PacifiCorp has identified Integrated Resource Planning, Resource Development, Structuring and Pricing, Contract Administration, Environmental, Credit, Legal and Risk Management as shared employee functions under FERC's Standards of Conduct.

#### **Information Status**

PacifiCorp's Marketing Function (as defined above) will not be involved in a Bidder's transmission interconnection request and integration with the balancing authority area. PacifiCorp's employees will at all times abide by FERC's Standards of Conduct. If an issue arises about compliance with FERC's Standards of Conduct, PacifiCorp's FERC Standards of Conduct Compliance Officer, Colt Norrish at 503-813-5545, should be contacted immediately.



**APPENDIX J**

**PacifiCorp Transmission Waiver**

SELLER AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP

[Interconnection Customer Letterhead]

Transmission Services  
Attn: Director, Transmission Services  
825 NE Multnomah, Suite 1600  
Portland, OR 97232

RE: \_\_\_\_\_ Interconnection Request

Dear Director:

\_\_\_\_\_ hereby voluntarily authorizes PacifiCorp's Transmission business unit to share \_\_\_\_\_'s generator interconnection information and generator meter data with marketing function employees of PacifiCorp, including, but not limited to those in the energy supply management group. \_\_\_\_\_ acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

## **APPENDIX K**

### **General Services Contract-Operations & Maintenance Services for Project**

#### **INCLUDED AS SEPARATE ATTACHMENTS:**

##### **O&M SERVICES CONTRACT**

**Not required for PPA**

**APPENDIX L**  
**Non-Price Scoring Matrix**

Assigned Bid #:		
PPA or BTA		
Bidder		
Project Name		
County/State		
MW		
Non-Price Factor	Max Score	Bid Score
1. Bid Submittal Completeness	5%	
Bids provided all required RFP information pursuant to RFP instructions for PPA and BTA, including accuracy of such information including the specific Appendices listed below;	Multiple RFP bid submittal documents missing requested information = 1% One or two RFP bid submittal documents missing requested information = 2% All documents complete = 3%	
• Appendix B-2 Information required in Proposal		
• Appendix C-2 Bid Summary and Pricing Input Sheet		
• Appendix C-3 3rd Party Performance Report including site data		
• Appendix D Bidder’s Credit Information		
Bid in compliance with technical or operating specifications as outlined in <b>Appendix A</b> as applicable to resource type and bid structure	Major components out of compliance = 0% Some major components in compliance = 1% All major components in compliance = 2%	
2. Contracting Progression and Viability	5%	
Bidder provided Appendix E-2 PPA document redline and comments Bidder provided Appendix E-3 battery storage document redline and comments Bidder provided Appendix F-2 BTA termsheet redline and comments	No written comments or redlines provided, or bid states that redline and comments will be provided upon selection = 0% Completed task of providing either written comments or redlines, but not both = 3% Both written comments and redlines provided = 5%	
3. Project Readiness and Deliverability	15%	
Bidder’s development and construction experience related to large energy and/or storage projects including O&M plan and financing plan.	No operating projects = 0% < 300 MW operating projects = 1% > = 300 MW operating projects = 2%	
Bids demonstrated site control consistent with PacifiCorp Transmission’s Site Control definition.	< 50% under lease or purchase option = 0% Lease option on full site = 2% Lease or purchase for full site = 3%	
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project’s environmental compliance, studies, permits such that the December 31, 2024 COD is met (or a potential later date in the case of pump storage hydro resources)	Major studies & permits not started = 0% 50% of major studies & permits complete = 3% 100% of major studies & permits complete = 6%	
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting equipment procurement needs and managing supply chain risks such that the December 31, 2024 COD is met (or a potential later date in the case of pump storage hydro and nuclear resources)	No documentation provided = 0% Detail provided without addressing management of supply chain risks = 1% Detail provided including addressing management of supply chain risks = 2%	
Bid included documentation that projects qualify for and would receive the full or partial value of the federal tax credit as interpreted by applicable guidelines and rules of the Internal Revenue Service at commercial operation.	No documentation = 0% Qualification through construction = 1% Documentation of safe harbor equipment = 2%	
TOTAL	25%	

## **APPENDIX M**

### **Role of the Independent Evaluator**

1. The general role and function of the Independent Evaluators (“IE”) are outlined as follows. A more detailed description of the IE’s role and function are included in the competitive bidding for Utah and Oregon<sup>3</sup>.
2. The Independent Evaluator will facilitate and monitor communications between PacifiCorp and bidders.
3. Access all important models in order to analyze, operate and validate all important models, modeling techniques, assumptions and inputs utilized by PacifiCorp in the solicitation process, including the evaluation of market bids.
4. Receive market bid responses.
5. Provide input to PacifiCorp on:
  - a. the development of screening and evaluation criteria, ranking factors and evaluation methodologies that are reasonably designed to ensure that the solicitation process is fair, reasonable and in the public interest in preparing a solicitation and in evaluating market bids;
  - b. the development of initial screening and evaluation criteria that take into consideration the assumptions included in the PacifiCorp’s most recent IRP, any recently filed IRP Update, any Commission order on the IRP or IRP Update;
  - c. whether a bidder has met the criteria specified in any bidding process and whether to reject or accept non-conforming bid responses;
  - d. whether and when data and information should be distributed to bidders when it is necessary to facilitate a fair and reasonable competitive bidding process or has been reasonably requested by bidders;
  - e. whether to reject non-conforming bids for any reason or accept conforming changes; and
  - f. whether to return bid fees.
6. Ensure that all bids are treated in a fair and non-discriminatory manner.
7. Monitor, observe, validate and offer feedback to PacifiCorp and the Utah and Oregon Commissions on all aspects of the solicitation and solicitation process, including:
  - a. content of the solicitation;
  - b. evaluation and ranking of bid responses;
  - c. creation of a short list(s) of bidders for more detailed analysis and negotiation;
  - d. post-bid discussions and negotiations with, and evaluations of, shortlisted bidders; and
  - e. negotiation of proposed contracts with successful bidders.
8. Once the competing bids have been evaluated by PacifiCorp and the IEs, PacifiCorp and the IE will compare results.
9. Offer feedback to PacifiCorp on possible adjustments to the scope or nature of the solicitation or requested resources in light of bid responses received.
10. Solicit additional information on bids necessary for screening and evaluation purposes.

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<sup>3</sup> Public Utility Commission of Oregon Docket AR 600, In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources, Order 18-324, August 30, 2018 and Utah Admin. Code R746-420.

11. Advise the Commissions at all stages of the process of any unresolved disputes or other issues or concerns that could affect the integrity or outcome of the solicitation process.
12. Analyze and attempt to mediate disputes that arise in the solicitation process with PacifiCorp and/or bidders, and present recommendations for resolution of unresolved disputes to the Commissions.
13. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or acknowledgement of the final shortlist.
14. Coordinate as appropriate and as directed by the Commissions with staff or evaluators designated by regulatory authorities from other states served by PacifiCorp.
15. The IEs shall always be included in communications involving PacifiCorp and the bidders as described in Appendix N - PacifiCorp's Organization for RFP Process.
16. The IEs shall prepare reports as defined under Oregon and Utah rules and provide them to the Commissions and PacifiCorp. The final reports shall be provided as soon as possible following the completion of the solicitation process. Final reports shall include analyses of the solicitation, the solicitation process, the PacifiCorp's evaluation and selection of bids and resources, the final results and whether the selected resources are in the public interest.

## **APPENDIX N**

### **PacifiCorp's Organization for RFP Process**

As part of the RFP process, PacifiCorp has identified employees who will be responsible for the evaluation of the bids. The evaluation team will be required to adhere to the self-imposed code of conduct to ensure a fair and unbiased RFP evaluation and selection process.

No members of the evaluation team will have contact or 2020AS RFP-related communication with any bidder unless the IE is included. If any bidder attempts to contact a member of the evaluation team, the evaluation team will only respond if the IE is included.

The evaluation team will be made up of employees from several PacifiCorp departments. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct,<sup>4</sup> the IRP work group will be treated as a shared resource to perform work for the evaluation team. The IRP work group will not share any information it obtains from either team with the other team and the IRP work group will not share any non-public transmission system information with either team at any point in this process.

The roles and responsibilities of the members of the evaluation team are set forth below. Individuals and titles will be submitted to the IEs upon issuance of the RFP and updated if there changes.

#### **1. Origination**

Members of origination will be responsible for overall coordination of the RFP process, including bid process management for all proposals. Origination will have responsibility to coordinate with the IE and all of the evaluation team. Origination will perform the evaluation of the non-price components of the bid analysis.

#### **2. Structuring and Pricing**

Members of PacifiCorp's structuring and pricing will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid.

#### **3. Environmental and Operations**

Environmental, resource development, and operations will be responsible for evaluation of the applicable environmental, siting and facilities permits and other environmental and operational reviews of the project bid.

#### **4. Credit**

Credit will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

#### **5. IRP**

Members of PacifiCorp's IRP team will be responsible for the production cost modeling for the initial and final shortlist.

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<sup>4</sup> See Appendix I – FERC Standard of Conduct

## Appendix E-4 PSH Documents

### TOLLING AGREEMENT TERM SHEET

<b>Physical Tolling Transaction Term Sheet</b>	
Seller	[ENTER COUNTERPARTY NAME]
Contact Name	
Phone Number	
Email	
Buyer	PacifiCorp
Description	Seller shall sell and Buyer shall purchase the Product, as delivered to the Point of Interconnection, for the Term
Facility	Describe facility, size, technology, and location ("Facility")
Start Date	Hour Ending ("HE") 0100 Pacific Prevailing Time ("PPT") on [ENTER DATE]
End Date	HE 2400 PPT on [ENTER DATE: no later than 25 years from Start Date]
Term Length	Term must be less than or equal to 25 years
Delivery Term(s)	January through December
Availability Term	Please specify: All Hours, Standard On Peak (6X16), Standard Off Peak (6X8, Sundays/Holidays), Super-Peak, or other
Planned Maintenance	Planned maintenance for the Facility during the term by mutual agreement
Pre-scheduling	Pre-scheduling will be pursuant to the WECC ISAS daily pre-scheduling calendar and the WECC Business Practices
Plant Capacity	[ENTER #] MW
Contract Quantity	[ENTER #] MW – [ENTER PERCENTAGE] of the Plant and 100% of the Facility
Product	A physical toll of the Facility. Buyer may at any time and from time to time, as provided herein, dispatch the Facility at its discretion in accordance with the Operating Limitations outlined below. Buyer will be responsible for all procurement and costs associated with fuel, fuel transportation and VOM during the Term of this transaction
Dispatch Notice	Buyer shall have the right to dispatch any or all of the Facility's [Turbines], [SPECIFY TIME PERIOD, INCLUDING NUMBER OF DAYS AND NUMBER OF DAYS PER WEEK], by providing a Dispatch Notice on a preschedule basis and subsequent Dispatch Notices in real time via electronic mail and confirmed via telephone. Dispatch notices shall be effective unless and until Buyer modifies such Dispatch Notice by providing Seller with an updated Dispatched Notice. Updated Dispatch Notices may be provided telephonically if necessary and shall be promptly documented by the Buyer via electronic mail utilizing the Dispatch Notice form
Availability Notice	Not later than 5:00 AM PPT on each Preschedule Day Seller shall, using an Availability Notice, provide Buyer with an hourly schedule of the expected availability of the [Turbines] for each hour of the schedule day. Availability Notices shall be provided by electronic mail and shall be effective unless and until Seller modifies such Availability Notice by providing Buyer with an updated Availability Notice. Updated Availability Notices may be provided via electronic mail or telephonically
Guaranteed Availability	[_] % of [ ] MW (Plant Capacity)

Physical Tolling Transaction Term Sheet	
Capacity Charge	[ENTER ONE OR MORE TIMEFRAME AND PRICES] From [DATE] through [DATE]: \$[X.XX] / kW-mo
Variable O&M Cost	\$[XX.XX] per [Dispatched] [Hour] per [Turbine]
Run Hour Charge	[\$ ] per [Turbine] Run Hour, for the Authorized Run Hour Starts
Fixed Start Charge	[\$ ] charge per Unit start authorized by Buyer
[DISPATCHED] Hour	Number of minutes each [Turbine] is dispatched to generate electricity divided by 60. For example, one [Turbine] dispatched for 75 minutes is 1.25 Fired Hours
Misc. Energy Charges	Emission charges, taxes, etc. are the responsibility of the Seller
Imbalance Penalties	The Buyer and the Seller shall use commercially reasonable efforts to avoid the imposition of any generation, electric transmission, or fuel supply imbalance charges. If Buyer or Seller receives an invoice that includes imbalance charges, the Parties shall determine the validity as well as the cause of such imbalance charges. The Party that caused the imbalance charges shall pay or reimburse the other Party for such imbalance charges
Monthly Capacity Payment	Monthly Capacity Payment equals Capacity Charge multiplied by Contract Capacity, multiplied by 1,000. Buyer will pay the Monthly Capacity Charge to Seller on a monthly basis
Monthly Payment	The Monthly Payment shall equal the sum of (i) the Monthly Capacity Payment, (ii) the monthly VOM Payment, (iii) if applicable, the Station Service Payment. The first Monthly Payment of each calendar year shall also include the Availability Refund, if applicable, from the previous calendar year
Point of Interconnection	The [ENTER POINT OF INTERCONNECTION DESCRIPTION, "high side of busbar at specific substation" for example] (currently the OASIS point-of-receipt called [ENTER OASIS POINT-OF-RECEIPT])
Transmission	If applicable Seller shall make application for Transmission Service from the Facility's [busbar] on the appropriate Transmission System as a Designated Resource with the appropriate transmission provider for the Contract Quantity, in accordance with that transmission provider's requirement
Operating Limitations	Fuel: [DESIGNATE BUYER OR SELLER] will deliver all of the fuel required to meet its Dispatch Notices, including fuel used for start-up  Start-Up Notification: Minimum: [ENTER #] minutes Maximum: [ENTER #] minutes  Fast Start per Contract Year: Parties will agree on a day ahead basis and use best efforts to provide ([ENTER #] minutes to full load from notification) per contract year  Minimum Run Tim: [ENTER #] hour Maximum Starts per Day per [Turbine]: [ENTER #] Minimum Load per [Turbine]: [ENTER #] MW



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## **2020 All-Source Request for Proposals**

### **Resources**

#### **(2020AS RFP)**

**ISSUED: Monday July 06, 2020**

**DUE DATE: Monday August 10, 2020 5:00 PM PPT**

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#### **2020AS RFP Responses:**

PacifiCorp  
RFP 2020AS  
Resource & Commercial Strategy  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232

[RFPAllSource@PacifiCorp.com](mailto:RFPAllSource@PacifiCorp.com)

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## SECTION 1. OVERVIEW

### A. PURPOSE AND SCOPE OF RFP

PacifiCorp established an action item out of PacifiCorp's 2019 Integrated Resource Plan (IRP) to conduct an all-source RFP in 2020 (2020AS RFP). The 2019 IRP preferred portfolio includes 1,823 megawatts (MW) of new proxy solar resources co-located with 595 MW of new proxy battery energy storage system (BESS) capacity and 1,920 MW of new proxy wind resources by the end of 2023.<sup>1</sup> The 2020AS RFP seeks to secure least-cost, least-risk resources consistent with the intent of the company's IRP.<sup>2</sup>

At the time the 2019 IRP was filed, PacifiCorp assumed new wind resources would need to achieve commercial operation by the end of 2023 to be eligible for the 40 percent production tax credit (PTC). Similarly, PacifiCorp assumed new solar resources collocated with BESS resources would need to achieve commercial operation by the end of 2023 to be eligible for the 30 percent investment tax credit (ITC). After the 2019 IRP was filed, federal legislation was passed extending the PTC to allow projects that secure safe-harbor equipment such as wind-turbine generators or begin construction in 2020 to receive a 60 percent PTC if placed into service by year-end 2024. Consequently, the 2020AS RFP will consider bids that can achieve commercial operation before or on December 31, 2024.<sup>3</sup>

In addition, PacifiCorp will accept bids from pumped storage hydro (PSH) ~~and nuclear~~ resources requiring longer lead time to develop and construct that places the project completion within a reasonable period of time beyond the required 2020AS RFP December 31, 2024 commercial operation date (COD).<sup>4</sup>

Under the 2020AS RFP, PacifiCorp is seeking proposals for competitively priced new and existing resources capable of interconnecting with or delivering to PacifiCorp's transmission system in its

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<sup>1</sup> The figures for solar and wind exclude resource capacity added to meet assumed customer preference targets that are included in the 2019 IRP preferred portfolio.

<sup>2</sup> While renewable resources have the possibility to provide renewable portfolio standard (RPS) compliance benefits, RPS-compliant resources are not an explicit goal of the RFP process and will not be prioritized.

<sup>3</sup> It is recognized that at the time this RFP is released, the extension of PTC eligibility to 2024 will generally only benefit wind resources. The 30 percent ITC for solar and solar collocated with BESS capacity is expected under current legislation to sunset at the end of 2023 and bidders with these resource type should prepare their bid accordingly.

<sup>4</sup> A review of PacifiCorp Transmission's interconnection queue on OASIS showed pumped storage and nuclear as the only long-lead time resources having accepted interconnection requests on or before January 31, 2020. Wind and solar or solar collocated with a BESS that have CODs beyond 2024 will not be accepted under this criteria as they have a shorter build cycle and the ability to bid into the next RFP issued by PacifiCorp.

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east or west balancing authority areas (PACE and PACW, respectively), targeting the specific topology and resource mix as shown in **Appendix H – 2020AS RFP Locational Capacity Limits**.

PacifiCorp is not bound to accept any bids, and may cancel this solicitation at any time and at its own discretion.

## B. RESOURCE AND TRANSACTION TYPE

Projects submitted into the 2020AS RFP must have a minimum net power production capacity greater than 20 MW(AC)<sup>5</sup> with the exception of qualifying facilities (QFs) under the Public Utility Regulatory Policies Act (PURPA). Per OAR 860-089-250(4), QFs are allowed to participate in the 2020AS RFP if the project's nameplate capacity is greater than the state standard avoided cost schedule threshold as shown below.

State	Standard Avoided Cost MW Threshold (MW)
California	Solar - 3.0 MW / All other resource types - 10.0 MW
Idaho	Wind and solar – 0.10 MW / All other resource types – 10.0 aMW
Oregon	Solar - 3.0 MW / All other resource types - 10.0 MW
Utah	Renewable – 3.0 MW / Non-renewable 1.0 MW
Washington	All resource types – 5 MW
Wyoming	Hydro – 5.0 MW / All other resource types – 1.0 MW

PacifiCorp is accepting qualified proposals for new or existing resources from bidders who currently own or have legally binding rights to develop new green-field resources or operate existing resources, ~~that~~ are discrete generating assets, are not located behind any load served by a utility or net-metered, and can be individually metered and remotely monitored.

PacifiCorp will consider proposals for the following transaction structures:

1. Build-transfer transaction whereby the bidder develops the project, assumes responsibility for construction and ultimately transfers the asset to PacifiCorp in accordance with the terms of a build-transfer agreement (BTA). Under this transaction structure, the bidder will be responsible for all development, design, equipment supply, construction, commissioning, and performance testing, and will be required to design and construct the resource in conformance with PacifiCorp's specifications. PacifiCorp will be acquiring a project's assets only under the BTA and will not accommodate BTAs that involve the ultimate transfer of a project company to PacifiCorp.
2. Power-purchase agreement (PPA) with exclusive ownership by PacifiCorp of any and all capacity and environmental attributes associated with all energy generated with terms from a minimum of 15 years up to 25 years. PacifiCorp provides two forms of PPA;

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<sup>5</sup> All project size in the 2020AS RFP will be referenced in MW AC unless specifically noted.

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resource only and BESS collocated with a renewable resource. Collocated resource with a BESS must have agreements that are the same term length.

3. Control of the output of a BESS as a standalone BESS through a Battery Storage Agreement (BSA) ~~---~~ up to a term of 25 years.
4. Pumped storage hydro (PSH) will be transacted through an individually negotiated tolling agreement up to a term of 25 years.

#### C. ACCEPTABLE RFP TYPES BY RESOURCE CATEGORY AND BID STRUCTURE

PacifiCorp is seeking the following bid types and categories of resources through the identified bid structures, able to deliver to PacifiCorp's transmission system in PACE and PACW as summarized in Table 1 and outlined in more detail in Sections 4.C and 4.D.

~~PacifiCorp will not accept bids in the 2020AS RFP from existing operating facilities.~~

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**Table 1 – 2020AS RFP Bid Types by Category of Resource**

Resource Type	Bid Structure Accepted		
	PPA	BSA	BTA
Renewable	X		X
Renewable Plus Battery Storage	X		X
Non-Renewable	X		X
Standalone Battery Storage		X	X
Pumped Storage Hydro		<del>to</del> <u>TOLL</u>	X
<del>Nuclear</del>	<del>X</del>		

PacifiCorp will accept bids in the 2020AS RFP from existing operating facilities subject to the following conditions:

- Bidder cannot terminate an existing contract to bid into the RFP
- The existing contract must expire before the required on-line date as proposed in a bidder's bid but no later than December 31, 2024.
- Bid must meet all other requirements in the RFP

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#### D. OPERATING CAPABILITIES OF THE RESOURCE

Resources and BESS identified in Table 1 that are bid as a BTA must meet both the common technical specifications and the resource specific technical specifications defined in **Appendix A – Technical Specifications**. All bids should comply with technical and operating specifications for Automated Generation Control (AGC) for automated signal operation and Automatic Voltage Regulation functionality. Bidders should review and understand the North America Electric Reliability Corporation (NERC) guidelines regarding technical requirements and modeling for

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renewables.<sup>6</sup> A more detailed description of operating requirements and specifications is included in **Appendix A - Technical Specification** by resource type.

## E. ENERGY STORAGE SYSTEMS

PacifiCorp is seeking energy storage systems in two categories; BESS and non-battery energy storage systems (i.e., pumped storage, compressed air, etc.). While the 2019 IRP chose only BESS in its preferred portfolio, PacifiCorp is including other types of storage systems in its 2020AS RFP. All bids that are standalone storage or that incorporates a BESS with a proposed renewable resource must provide a description of the plant communications and control plan. The plan shall include a description and diagrams (as applicable) that demonstrate how bidder will provide BESS systems data, including state of charge, power charge/discharge status, and asset health indicators (temperature, HVAC alerts, emergency status, etc.) as well as BESS system control, including limitation of charging only from renewable energy production, if applicable, charge/discharge scheduling, and station service load.

BESS bidders will also be required to provide an emergency response plan and a remediation plan in the event of battery accidents.

### 1. Battery Energy Storage System.

PacifiCorp is requesting bids from a BESS collocated with a renewable resource or as a standalone system. The BESS can be DC or AC grid connected. A collocated BESS bid as a BTA must conform to the both the resource specifications and BESS specifications in **Appendix A - Technical Specification** and be operational on or before December 31, 2024. PacifiCorp is battery chemistry and technology agnostic. Bids should ensure the BESS complies with Table 1 and bids provide all the information required in **Appendix C-2 - Summary and Pricing Input Sheet**. BESS bids must identify the collocated renewable energy resource if applicable, and provide a detailed description of any shared facilities and/or equipment with the associated renewable resource. ~~More specifically, the~~ bid description of the BESS should, at a minimum, include the following items (see **Appendix C-2 - tab 4** for more details regarding information requested specific to BESS). PacifiCorp reserves the right to request any additional information from Appendix C-2 not listed below:

- Type of storage facility
- Manufacture, model, and chemistry of battery
- Manufacture and model of control system for battery
- Manufacture and model of energy management system
- Manufacture and model of inverters
- DC or AC grid connected
- Discharge capacity at point of delivery (MW)

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<sup>6</sup> Please refer to NERC, Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources, September 2019.



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- Storage capacity at point of delivery (MWh)
- Cycling capability and limitations
- Depth of charge capabilities and limitations
- Round trip efficiency (%)
- Annual degradation by contract year (%)
- Expected capacity augmentation by contract year (%) (if applicable)
- Guaranteed storage annual availability (%)
- Option for battery charging from grid

Table 2 summarizes PacifiCorp's 2020AS RFP guidelines regarding battery installed capacity and storage duration. These guidelines should be used by bidders in preparing their bid and bid alternatives as described in Section 3.F.

**Table 2. RFP Capacity and Storage Duration Guidelines for BESS bids**

Battery Type	Minimum Installed Capacity (% of Collocated Renewable Resource)	Storage Duration (hours) at Guaranteed Capacity	
		Minimum	Maximum
Lithium-Ion	25%	2	6
Flow batteries	25%	2	12
All other types	25%	2	N/A

PacifiCorp is requiring full dispatch control of the collocated or standalone battery (charge and discharge) as addressed in contractual terms in the applicable appendices to this 2020AS RFP.

## 2. Pumped Storage Hydro Systems.

PacifiCorp is accepting PSH bids in its 2020AS RFP due to the long-lead time for development and construction of PSH projects. While a PSH is considered a long-lead time bid with a on-line date beyond December 31, 2024, PacifiCorp suggests that a reasonable on-line date for PSH is five years from execution of a contract with the PSH which puts the expected on-line date byat December 31, 2026. PSH opportunities are emerging within the footprint of PacifiCorp's system and may offer unique capacity and operating flexibility. To facilitate the participation of PSH bids, PacifiCorp will assess the merits of PSH bids consistent with the 2020AS RFP scoring and modeling process and include them in the Phase I process to determine eligibility for selection to the initial shortlist. Due to the unique operating characteristics of a PSH, it is recognized that the PSH will be an individually negotiated agreement. For the purpose of this RFP, PacifiCorp has not included a pro-forma termsheet that contains the major terms and conditions expected under a tolling arrangement. PSH agreement, however PSH bids will also be allowed to submit their own form of a tolling agreement. rather the PSH will be an individually negotiated agreement.

## F. BENCHMARK RESOURCES AND AFFILIATE TRANSACTIONS

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PacifiCorp is not submitting any self-build ownership proposals (benchmark resources) in the 2020AS RFP and is not accepting any bids from any PacifiCorp affiliate.<sup>7</sup>

## SECTION 2. PROCEDURAL ITEMS

PacifiCorp will evaluate proposals conforming to the RFP minimum eligibility requirements based on the following:

- Customer cost defined as the revenue requirement associated with the bid,
- Deliverability of the resource, including site control, development maturity and status, developer's experience, and demonstration that the project's commercial operation date will be achieved by December 31, 2024,
- Transmission access and interconnection status in conformance with the 2020AS RFP requirements,
- Compliance with and verification of major equipment availability defined in **Appendix A - Technical Specification**.
- Ability to provide acceptable credit security as determined per **Appendix D – Bidder's Credit Information**.
- Conformance with the terms attached in **Appendix E-2 - PPA Documents, Appendix E-3 – BSA, or Appendix F-2 – BTA Term Sheet**, as applicable for the individual bid.

Bidder is responsible for all bidder fees and all costs and expenses of any response to PacifiCorp in connection with its proposal for the 2020AS RFP, including providing additional information, the success fee, if project is selected to the final shortlist, and bidder's own expenses in negotiating and reviewing any documentation. PacifiCorp will have no liability arising out of or relating to PacifiCorp's rejection of any proposal, or bidder's reliance upon any communication received from PacifiCorp, for any reason.

### A. INDEPENDENT EVALUATOR

PacifiCorp is conducting the 2020AS RFP under the oversight of two independent evaluators (IE). An IE has been retained by PacifiCorp on behalf of the Public Utility Commission of Oregon (Oregon Commission) as required by Oregon Administrative Rules § 860-89-200<sup>8</sup>. The Utah Public Service Commission (Utah Commission) has also retained their own IE consistent with Utah guidelines in Utah Admin. Code R746-420. Both IEs will be involved in development of the RFP

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<sup>7</sup> Unless directed by the Commission otherwise, a PacifiCorp "affiliate" shall be limited to Berkshire Hathaway Energy Company and its subsidiaries.

<sup>8</sup> Oregon's competitive bidding rules were adopted in Public Utility Commission of Oregon Docket AR 600, *In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources*, Order 18-324 (August 30, 2018).

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and provide oversight to ensure the RFP process is conducted in a fair and reasonable manner. Potential bidders are invited and encouraged to contact the Oregon or the Utah IE with questions or concerns. More information concerning the role of the IE is provided in **Appendix M - Role of the Independent Evaluator** for both Oregon and Utah.

Contact information for each IE is as follows:

Independent Evaluators:
OREGON – PA Consulting 2020AS_IE@PAConsulting.com Charles Janecek - 303.250.5060
UTAH – Merrimack Energy MerrimackIE@merrimackenergy.com Wayne Oliver – (781) 856-0007

## B. PACIFICORP RFP ORGANIZATION AND ROLES

The RFP organization and roles were established by PacifiCorp before issuance of this RFP. The RFP organization is described for their primary roles and responsibilities in **Appendix N – PacifiCorp’s Organization for RFP**.

## C. FERC’S STANDARDS OF CONDUCT

Each bidder responding to this RFP must conduct its communications and activities in recognition of PacifiCorp’s obligation to comply with [the Federal Energy Regulatory Commission \(FERC\)](#)’s Standards of Conduct for Transmission Providers (see **Appendix I - FERC’s Standards of Conduct**), which require the functional separation of PacifiCorp’s transmission and merchant functions. Interconnection with or transmission service on PacifiCorp’s system is arranged through PacifiCorp’s transmission function, and not PacifiCorp’s merchant function that administers this RFP. Similarly, with respect to any necessary interconnection and transmission arrangements on a third-party transmission system, the bidder must coordinate with and refer to the requirements of the third-party transmission provider. Accordingly, as part of a bid submittal, bidders will be requested to execute a customer consent form provided in **Appendix J - PacifiCorp Transmission Waiver** that enables PacifiCorp’s merchant function to discuss the bidder’s interconnection and/or transmission service application(s) with the applicable interconnection or transmission service provider.

## D. CONFIDENTIALITY

As described in [Section 3.B](#), below, before bid submittal, bidders will be required to execute a confidentiality agreement in the form provided in **Appendix G-1 - Confidentiality Agreement**. As provided in the form of confidentiality agreement, PacifiCorp will attempt to maintain the confidentiality of all bids submitted, to the extent consistent with law or regulatory order, as long as such confidential treatment does not adversely impact a regulatory proceeding. It is the bidder’s responsibility to clearly indicate in its proposal what information it deems to be confidential and subject to the terms of the executed confidentiality agreement. Bidders may not mark an entire proposal as confidential, but must mark specific information on individual pages

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to be confidential in order to receive confidential treatment for that information under the terms of the executed confidentiality agreement.

All information supplied to PacifiCorp or generated internally by PacifiCorp is and will remain the property of PacifiCorp. To the extent bidder receives information from PacifiCorp, bidder must maintain the confidentiality of such information and such information may not be provided to any third party before, during or after this RFP process unless required by law or regulatory order.

PacifiCorp uses its internal, proprietary models in its bid evaluation process. These models, the assumptions used in these models, and the bid evaluation results will not be shared with entities external to PacifiCorp or its consultants, including bidders, unless required to support regulatory proceedings, required by law, or required by applicable regulatory order.

#### **E. PACIFICORP'S RESERVATION OF RIGHTS AND DISCLAIMERS**

PacifiCorp reserves the right, without limitation or qualification and in its sole discretion, to reject any or all bids, and to terminate or suspend this RFP in whole or in part at any time. Without limiting the foregoing, PacifiCorp reserves the right to reject as non-responsive any or all bid proposals received for failure to meet any requirement of this RFP. PacifiCorp further reserves the right without qualification and in its sole discretion to decline to enter into any agreement with any bidder for any reason, including, but not limited to, change in regulations or regulatory requirements that impact PacifiCorp, and any evidence of collusive bidding or other anticompetitive behavior or conduct of bidders.

Bidders who submit bid proposals do so without recourse against PacifiCorp, its parent company, its affiliates and its subsidiaries, or against any director, officer, employee, agent or representative of any of them, for any modification or withdrawal of this RFP, rejection of any bid proposal, failure to enter into an agreement, or for any other reason relating to or arising out of this RFP.

### **SECTION 3. GENERAL INFORMATION AND LOGISTICS**

#### **A. SCHEDULE**

The proposed 2020AS RFP schedule is shown below.

<b>Milestone</b>	<b>Date</b>	<b>Day</b>
RFP Issued to market	07/06/2020	Monday
Bidder workshop	07/09/2020	Thursday
IE joint discussion on models and assumptions	07/10/2020	Friday
Notice of Intent to Bid due	07/20/2020	Monday
Last day for RFP questions to IEs for Q&A	08/03/2020	Monday
RFP bids due	08/10/2020	Monday
Bid eligibility screening completed	08/17/2020	Monday
Initial Shortlist (ISL) scoring/ranking completed	09/04/2020	Friday
IRP modeling generates ISL	10/05/2020	Monday
IEs' review of ISL completed	10/09/2020	Friday
PacifiCorp notifies bidders selected to ISL	10/14/2020	Wednesday
ISL bidders notify Pac Trans to enter cluster study	10/15/2020	Thursday

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Milestone	Date	Day
Capacity factor and BESS evaluation on ISL started	10/19/2020	Monday
Begin contract review and negotiations with ISL (subject to Oregon waiver)	10/19/2020	Monday
Capacity factor and BESS evaluation on ISL completed	01/31/2021	Sunday
Complete contract negotiations on near final draft with bidders	03/31/2021	Wednesday
Cluster study results posted to OASIS / bidders notified by Pac Trans	04/15/2021	Thursday
Bidders provide ISL price update including cluster study results	04/22/2021	Thursday
Submit updated bids to IRP modeling	04/27/2021	Tuesday
IRP modeling generates Final Shortlist (FSL)	05/20/2021	Thursday
Final Shortlist (FSL) selected	05/25/2021	Tuesday
IEs' review of FSL Completed	06/01/2021	Tuesday
Complete negotiation of T&Cs for resource agreements	10/15/2021	Friday
Execute Agreements	11/08/2021	Monday
Winning Bid Guaranteed COD	12/31/2024	Tuesday

The schedule above is subject to change. Actual dates may vary for reasons that include, but are not limited to, negotiation time, availability of key personnel, due diligence, the evaluation or negotiation of any issues unique to any bid, bidder, or project, bidder's responsiveness in contract negotiations, PacifiCorp's evaluation of bidder's creditworthiness, and actions required by any third parties. PacifiCorp is not responsible for any costs or damages to bidders alleged to be attributable to changes in the RFP schedule stated above. PacifiCorp is not obligated to develop a shortlist of bidders, to make a final selection, or to initiate or complete negotiations on any transaction.

**Bidders should note the condensed schedule and be available for calls and meetings with PacifiCorp and the IE regarding bid submittals and be responsive to questions in a timely manner. PacifiCorp and the IE will attempt to complete the bid review and screening as efficiently as possible.**

**BIDDERS WILL BE REQUIRED TO RESPOND TO BID QUESTIONS AND CURE ANY BID DOCUMENT DEFICIENCIES WITH 24 HOURS OF BID REVIEW AND REQUESTS.**

#### **B. 2020AS RFP BIDDER CONFERENCE**

A bidder conference will be held on ~~Thursday July 09, 2020 in Portland, Oregon, and Salt Lake City, Utah.~~ The bidder conference will cover the 2020AS RFP structure, deliverables, schedule, requirements and energy performance analysis. Specific time will be allocated to cover interconnection and transmission service matters. The bidder conference is scheduled for three (3) hours at the location and start time below and will also be set up as a webinar for remote attendance. Additional details on the bidder conference will be posted to the PacifiCorp website.<sup>9</sup>

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<sup>9</sup>In the event that COVID-19 restrictions are still active or encouraged, the workshop details will be done only via webinar and details will be posted on PacifiCorp's website.

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Date: \_\_\_\_\_ 05/27/2020 06/01/2020

Day: Thursday

Date: July 09, 2020

Time: 1:00 pm Mountain (12:00 pm Pacific)

Location: Skype Meeting (Details to be provided on PacifiCorp RFP webpage)

Utah

Day: Thursday

Date: July 09, 2020

Time: 1:00 pm Mountain

Location: North Temple Office (NTO)

Room: Room 130K

Parking: Parking is available in the NTO parking lot.

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### **Y.C.** INTENT TO BID FORMS

Parties that intend to submit bids for consideration in this RFP process must return the following completed documents<sup>10</sup> in an electronic copy to the following PacifiCorp and IE's email addresses, no later than **5:00 p.m. Pacific Prevailing Time on Monday July 20, 2020**, to be accepted as a bidder in the 2020AS RFP:

1. **Appendix B-1 – Notice of Intent to Bid Form**
2. **Appendix D - Bidder's Credit Information**
3. **Appendix G-1 - Confidentiality Agreement**

Email: RFPAllSource@PacifiCorp.com  
2020AS\_IE@PAConsulting.com  
MerrimackIE@merrimackenergy.com

After PacifiCorp receives the Intent to Bid form, an acknowledgment of receipt and directions for bid submittal fees will be provided.

### **Z.D.** SUBMISSION OF QUESTIONS

Interested parties and bidders may submit questions related to this solicitation, and PacifiCorp will respond in a timely fashion. All information, including pre-bid materials, questions, and PacifiCorp's response to questions, will be posted on the PacifiCorp website at <https://www.pacifcorp.com/suppliers/rfps/all-source-rfp.html>.

Email - Communications with the IE or PacifiCorp can also be emailed directly at the following email addresses:

Oregon IE: PA Consulting: 2020AS\_IE@PAConsulting.com

<sup>10</sup> Documents not completed may be grounds for disqualification of a bid.

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Utah IE: Merrimack Energy: MerrimackIE@merrimackenergy.com

PacifiCorp: RFPAllSource@PacifiCorp.com

#### AA.E. SUBMISSION OF BIDS

Proposals must be submitted with a cover letter that includes all signatures necessary to approve and submit bidder's proposal by one or more representatives having necessary corporate or other organizational authority.<sup>11</sup> Additionally, the cover letter must also include the following declaration:

"[Insert legal name of Bidder] (the "Bidder") acknowledges receipt of PacifiCorp's 2020AS All Source Request for Proposals on or about July 6, 2020. Bidder makes the following representations to PacifiCorp:

1. All of the statements and representations made in this proposal are true to the best of Bidder's knowledge and belief;
2. Bidder possesses a legally binding agreement(s) or option(s) to possess all necessary land rights for sufficient site control to undertake development of the project as set forth in the proposal, including ingress and egress to and from the site;
3. Bidder possesses or will possess all necessary water rights for construction and ongoing maintenance of the project through the term of the agreement;
4. Bidder has obtained, or can demonstrate how it will obtain, all necessary authorizations and approvals that will enable Bidder to commit to the terms provided in this proposal;
5. Bidder has reviewed the entirety of this RFP including all relevant appendices, acknowledges its terms, and agrees to comply with the processes stated within;
6. Bid pricing is based on the terms of the transactions documents in [Appendix E-2 - PPA Documents] [Appendix E-3 - BSA] [Appendix F-2 - BTA Termsheet],<sup>12</sup> as reviewed and, if applicable, revised by bidder; and
7. This proposal is a firm and binding offer, ~~for a period of at least 255<sup>13</sup> days from [insert date of letter/bid submittal].~~ through April 22, 2021

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<sup>11</sup> If the proposal is being bid under a partnership, the partnership must be fully established, including a legally binding agreement among the partners (not a letter of intent), before submission of a proposal under this RFP. Each partner must be bound to comply with the terms of this RFP and the proposal. The signature of each partner must be included on the cover letter, along with their contact information (i.e., company name, phone number, email address, etc.). The proposal must include evidence documenting the legal and binding partnership.

<sup>12</sup> Bidder to select appropriate reference appendix for its submitted bid.

<sup>13</sup> ~~Based on estimated days from bid submittal through initial shortlist price update.~~

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Three forms of bid submittal are required: 1) a single hard copy with cover letter signed by an officer of the bidding company; 2) electronic copy via USB flash drives; and 3) an electronic copy via email. The hard copy as well as the USB flash drives should be delivered by express, certified or registered mail, or hand delivery to the following address:

**PacifiCorp 2020AS RFP**

Attention: Resource & Commercial Strategy  
825 NE Multnomah, Suite 600  
Portland, Oregon 97232

The electronic copy via email should be sent to:

PacifiCorp at: RFPAllSource@PacifiCorp.com

Oregon IE at: 2020AS\_IE@PAConsulting.com

Utah IE at: MerrimackIE@merrimackenergy.com

PacifiCorp will respond with a receipt email.

**Bids will be accepted until 5:00 p.m. Pacific Prevailing Time on Monday August 10, 2020. PacifiCorp will not accept any late proposals. Any bids received after this time will be returned to the bidder unopened.**

**All bid proposals shall have a bid validity date through 5:00 pm PPT, Thursday April 22, 2021.**

Bids selected to the initial shortlist will be asked to update their bid prices as part of Phase II at the conclusion of PacifiCorp Transmission's transition interconnection cluster study expected in April 2021.

Bidders must submit complete proposals that include the following items:

1. Via mail, one (1) signed original hard copy of each bid with all required forms including all exhibit sheets.
  - a. The hard copy must include the required cover letter with an original signature of an officer of the bidding company
  - b. The bid must be submitted prepared on standard 8 1/2 inch by 11 inch recycled paper, duplex printed (2 sided).
2. Via mail, two (2) USB flash drive(s) with all required forms including all appendices and exhibit sheets saved onto each USB flash drive.
  - a. The electronic submittal should include any required forms in PDF format and Microsoft Excel format, as required, including all appendices and exhibit sheets.



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3. Via email, one (1) electronic copy of the bid,<sup>14</sup> sent to the RFP mailbox address provided, which should include any required forms in PDF format and Microsoft Excel format, as required, including all appendices and exhibit sheets.
4. Appendix sheets in the bid submission should include the requirements listed in Section 4 of this RFP document and **Appendix B-2 - Instructions and Information Required in Bid Proposals**, including:
  - a. Technical submittal requirements from **Appendix A - Technical Specifications**,
  - b. The main bid document as organized in **Appendix B-2 - Instructions and Information Required in Bid Proposals**,
  - c. An excel version and also PDF print outs of the required tabs from **Appendix C-2 – Bid Summary and Pricing Input Sheet**,
  - d. Redlines or comments to the contract documents reflecting the resource type and structure contained in the bid:
    - i. **Appendix E-2 – PPA Documents**
    - ii. **Appendix E-3 – BSA Documents**
    - iii. **Appendix E-4 – PSH Documents**
    - iv. **Appendix F-2 – BTA Term Sheet**

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#### **BB.F. PACIFICORP'S POSTING OF SECURITY**

PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

#### **CC.G. BID EVALUATION FEES**

Bidders must pay a fee (Bid Fee) of \$10,000 for each base proposal and two (2) alternatives submitted. Bidders will also be allowed to offer up to three (3) additional alternatives to the base proposal at a fee of \$3,000 per alternative. Alternatives will be limited to different contract terms, in-service dates, and/or pricing structures. A bidder may submit more than one base proposal. PacifiCorp's objective in offering bidders the opportunity to propose multiple alternatives to any base proposal is to allow PacifiCorp to optimize the benefits from the solicitation by combining proposals of different sizes, terms and in-service dates. Table 3 provides bid fee guidance specific to resource type and structure.

**Table 3. Bid Fee Guidelines**

Resource	Base Bid	Bid Alternatives
Wind	PPA, BTA, or PPA/BTA combinations are separate base bids. BTA bids only accepted for projects directly interconnecting with PacifiCorp's system.	Limited to different contract terms, in-service dates, and/or pricing.

<sup>14</sup> Large bid submittals may require being sent in multiple emails due to 25 MB size limitation of email transmittals.

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Solar	PPA or BTA are separate base bids. BTA bids only accepted for projects directly interconnecting with PacifiCorp's system.	Limited to different contract terms, in-service dates, and/or pricing
Collocated BESS	PPA or BTA collocated with BESS. PPA or BTA would be separate bid.	Collocated bids that include a BESS must submit a base bid that includes battery augmentation and one bid alternative that includes non-augmentation.
Standalone BESS	BSA or BTA would be separate bid.	Standalone BESS bids must submit a base bid that includes battery augmentation and one bid alternative that includes non-augmentation.
Other renewables	PPA or BTA would be separate bid.	Limited to different contract terms, in-service dates, and/or pricing
Non-renewables	PPA or BTA would be separate bid.	Limited to different contract terms, in-service dates, and/or pricing

The Bid Fees will be used to cover the costs incurred by PacifiCorp in analyzing the proposals, including the costs of the IEs, technical consultants, and legal advisors. A success fee may be charged to successful winning bid(s) to cover any incremental costs of the IE and other external subject matter experts, PacifiCorp used in its bid evaluations or contract development, provided that in no event may the success fee exceed \$250,000 dollars per successful bid. Documentation of the calculation of the success fee will be computed in cooperation with the IE and provided to the bidder at the time the bid is selected to the final shortlist.

**Payment of Bid Fees.** Bid Fees must be paid by wire transfer to PacifiCorp. PacifiCorp will email wire transfer instructions to bidders who have submitted a notice of intent to bid five (5) business days before August 10, 2020. No cashier's checks will be accepted. When the bid is submitted, Bidder must provide documentation of submitted Bid Fees, such as a receipt of the wire transfer or wire transfer confirmation number. **The bid fee is non-refundable. After submission of bidder's proposal, the bid fee will not be refunded unless the proposal is withdrawn before the submittal due date, the proposal does not meet the minimum eligibility requirements and that deficiency cannot be cured, or the proposal is rejected for any other non-conformance before commencement of the shortlisting analyses.**

#### **DD.H. BID NUMBERING AND FILE NAMING CONVENTION**

Bid numbers will be self-assigned by bidder in accordance with the directives below. There is no limit to the number of base proposals and proposal alternatives that may be submitted, subject to the Bid Fee requirements stated in Section 3.F.

Bid numbers must be expressed as a whole number followed by one decimal place, beginning with the number 1.0. Each subsequent base proposal will have a separate sequential bid number (i.e., 2.0, 3.0, etc.). The decimal place will be used to indicate pricing options or other base proposal alternatives, necessary to support pricing in **Appendix C-2 - Bid Summary and Pricing Input Sheet**. For example, the initial base proposal will be identified as "1.0" and the second pricing option alternative to the base proposal would be "1.1." Bidder's next base proposal, if any, would be "2.0" with "2.1" used for any second pricing option or other alternative to the base proposal.

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File names should be kept short by using abbreviations wherever possible. All required documents must use the following naming convention:

*[Abbreviated Bidder name]\_[Bid number]\_[Abbreviated\_File\_Descriptor]*

## **EE.1. MINIMUM ELIGIBILITY REQUIREMENTS FOR BIDDERS**

Bidders may be disqualified for failure to comply with the RFP if any of the requirements outlined in this RFP are not met to the satisfaction of PacifiCorp, as determined in its sole discretion. If proposals do not comply with these requirements, PacifiCorp has the option to deem the proposal non-conforming and eliminate it from further evaluation. Reasons for rejection of a bidder or its proposal include, but are not limited to:

1. Receipt of any proposal after the bid submittal deadline.
2. Failure to meet the requirements described in this RFP and provide all information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** of this RFP.
3. Failure to adequately demonstrate the viability of a commercial operation date on or before December 31, 2024 with the exception of pumped storage hydro ~~or nuclear resources~~ as described in Section 1.C.
4. Failure to permit disclosure of information contained in the proposal to PacifiCorp's agents, contractors, regulators, or non-bidding parties to regulatory proceedings consistent with terms of executed confidentiality agreement.
5. Any attempt to influence PacifiCorp in the evaluation of the proposals outside the solicitation process.
6. Failure to provide a firm offer through the bid validity date outlined in Section 3.E. of this RFP.
7. Failure to disclose the real parties of interest in any submitted proposal.
8. Bidder is in current material litigation or has threatened material litigation against PacifiCorp. For the purpose of this provision, material litigation means a dispute in excess of five (5) million dollars in which bidder has issued a demand letter to PacifiCorp, the bidder and PacifiCorp are currently in dispute resolution, the bidder and PacifiCorp have an unresolved dispute pending, or bidder has noticed a pending legal action against PacifiCorp. Material litigation excludes bidder complaints before a state public utility commission and matters before FERC regarding PacifiCorp that seek compliance or clarification of tariffs so long as the matter is not seeking monetary damages. PacifiCorp will consult with the IEs before rejecting any bidder under this subsection 8.
9. Failure to clearly specify all pricing terms for each base proposal and alternative(s).
10. Failure to offer unit contingent (as generated) or system firm capacity and energy to Company's network transmission system in either its PACE and PACW balancing areas.
11. For any bid that is proposing to interconnect to a third-party transmission system and secure transmission service to deliver the output of the resource to PacifiCorp at PACE or

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PACW, failure to provide satisfactory evidence<sup>15</sup> that the interconnection to the third-party transmission provider or firm transmission rights are already secured in bidder or project owner's name or readily obtainable by bidder to deliver the full output of the resource to PacifiCorp on or before December 31, 2024, detailing all actual or estimated transmission costs.

12. Failure to materially comply with technical specification requirements in **Appendix A - Technical Specifications** for BTA proposals involving potential PacifiCorp ownership or operational control.
13. Failure to demonstrate a process to adequately acquire or purchase major equipment (i.e., wind turbines, solar photovoltaic panels, inverters, tracking system, generator step-up transformers, batteries) and other critical long lead time equipment.
14. Failure to demonstrate that it can meet the credit security requirements for the resource proposed.
15. Failure to submit information required by PacifiCorp to evaluate the price and non-price factors described herein.
16. Failure or inability to abide by the applicable safety standards.
17. Failure to submit an acceptable contract structure.
18. A determination by PacifiCorp that collusive bidding or any other anticompetitive behavior has occurred.
19. Bidder or proposed project being bid is involved in bankruptcy proceedings.
20. Failure of the bidder's authorized officer to sign the proposal cover letter.
21. Misrepresentation or failure to abide by Federal Trade Commission Green guidelines for renewable projects, if applicable.
22. Any change in law or regulatory requirements that make the bidder's proposal non-conforming.
23. Any matter impairing the bidder, the specified resource, or the generation of power or, if applicable, environmental attributes from the specified resource.

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<sup>15</sup> Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.

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24. Failure to provide the minimum resource performance estimate information as described in Section 5.B. of the RFP.
25. Failure to provide a performance model output including hourly output values as identified in **Appendix C-3 - ~~Third Party~~ Energy Performance Report.**
26. Failure to provide **Appendix D - Bidder's Credit Information.**
27. Any bid that includes a requirement that PacifiCorp provide credit assurances.
28. In the case of a BTA bid, failure to submit an operations and maintenance proposal materially compliant with **Appendix K - General Services Contract - Operations & Maintenance Services for Project.**
29. Failure to provide documentation of site control for the project excluding right-of-way or easements for transmission, roads, or access to the site.<sup>16</sup>
30. Failure to provide documentation that an interconnection request with PacifiCorp Transmission was received and pending on or before January 31, 2020, consistent with PacifiCorp Transmission's interconnection queue reform transition process.
31. Failure of the bid interconnection description and capacity to be consistent with the interconnection request with PacifiCorp Transmission.

## SECTION 4. RFP CONTENT AND SUBMITTAL INSTRUCTIONS

### A. ALL PROPOSALS

This section outlines the content and format requirements for all proposal structures. Proposals that do not include the information requested and in a form described in this section may be deemed ineligible for further evaluation if the bidder does not provide information within 24-hours of a request by PacifiCorp in its sole discretion. PacifiCorp may deem information not relevant as determined by PacifiCorp in its sole discretion. All sections must be complete and in compliance with the RFP in order for the bid to be accepted.

### B. GENERAL ORGANIZATION OF THE BID SUBMITTAL

All bids must contain the following information and, to facilitate timely evaluation, must be organized as indicated below. The sections of each bid proposal must be as follows and are further described in this Section 4 and **Appendix B-2 - Instructions and Information Required in Bid Proposals:**

- Section 1 - Executive Summary of Proposal
- Section 2 - Resource Description
- Section 3 - Bidder's Qualifications

<sup>16</sup> Site control as defined in PacifiCorp Transmission's OATT.

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Section 4 - Financial Information

Section 5 - Pricing Proposal and Pro Forma Project Financing

Section 6 - Interconnection & Transmission Service

Section 7 - Environmental and Siting

Section 8 - Contract Terms

Section 9 - O&M Services Contract Terms (BTA ~~Option Bid~~ Only)

### C. **POWER PURCHASE AGREEMENT (PPA) AND ENERGY STORAGE PROPOSALS**

For new resources, PacifiCorp will consider PPA or standalone energy storage transactions whereby the bidder develops the resource, assumes responsibility for construction and sells the power (and non-power attributes) to PacifiCorp on a long term basis, all pursuant to the terms of a PPA, BSA or Toll, which will include certain performance guarantees. The bidder will be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction, interconnection and long term asset management and operational costs. If the proposed resource is interconnecting to a third-party transmission system, the bidder will also be responsible under the PPA to arrange transmission service to a designated point of delivery on PacifiCorp's transmission system acceptable to PacifiCorp. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and operate the generation resource consistent with the bidder's proposal.

For existing resources, PacifiCorp will consider PPA transactions whereby the bidder sells the power (and non-power attributes) to PacifiCorp on a long term basis, all pursuant to the terms of a PPA, which will include certain performance guarantees. The bidder will be responsible for all aspects of the project's interconnection and the long term asset management and operational costs. If the ~~proposed~~ existing resource is interconnecting to a third-party transmission system, the bidder will also be responsible under the PPA to arrange transmission service to a designated point of delivery on PacifiCorp's transmission system acceptable to PacifiCorp. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to operate the generation resource consistent with the bidder's proposal.

In the 2020AS RFP, PacifiCorp is seeking PPAs for the following resource categories as previously summarized in Table 1:

1. Renewable ~~—Category A-1~~
  - a. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.
2. Renewable plus BESS storage ~~—Category B-1~~
  - a. Solar or wind collocated with a BESS will be considered. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.

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- b. Bidders should ~~provide-secure~~ confirmation from PacifiCorp Transmission that the facility's interconnection request or LGIA, if already executed ~~representing for~~ the proposed renewable resource ~~equipment and configuration and~~, will not require a material modification<sup>17</sup> to add a BESS.
- c. BESS dispatch, when paired with renewable resource, must not exceed the LGIA's capacity.

3. Non-renewable ~~Category C-1~~

- a. Note that the pro forma agreements in **Appendix E-2 - PPA Documents** are tailored for new resources and specific technologies; conforming changes may be required for existing resources or other types of resources.

~~a-~~ For standalone BESS or PSH, PacifiCorp is utilize the pro-forma BSA in **Appendix E-3 – BSA Documents and the PSH toll termsheet in Appendix E-4 – PSH Documents**.

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A general description and instructions are included in the **RFP Appendices**. In addition to the bid narrative and bid organization instructions in **Appendix B-2 - Instructions and Information Required in Bid Proposals**, PPA, BSA or PSH bidders should reference the submittal checklist in **Appendix E-1 PPA Instructions to bidders**.

The bidder's proposal must contain their redline to the applicable pro forma documents based on the specific bid; **Appendix E-2 – PPA Documents**, ~~and/or~~ **Appendix E-3 – BSA Documents**, ~~or~~ **Appendix E-4 – PSH Documents**. The redline should contain all of Bidder's exceptions to the terms and conditions of the pro forma document. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. A bid that only provides a statement of "to discuss" or similar non-substantive commentary on the pro-forma agreement terms will be considered a non-conforming bid and subject to potential rejection in this RFP. Bidders should also submit comments to the pro forma agreement on issues that they have concerns with and identify alternatives to address the issues. While substantive comments to the pro-forma agreement ~~will be~~ are considered as part of the non-price scoring, ~~PacifiCorp is looking for the completeness of the task and not the content~~ in evaluating a project for inclusion in the initial shortlist, recognizing that substantive comments will be addressed in more detail with the bidders after selection to the initial shortlist.

All bidders in this category must complete the information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** (PPA tabs listed in Section 4.B of RFP). PacifiCorp will accept PPA bids up to 25 years.

PacifiCorp reserves the right to request bid cash flow information in order to complete its evaluation for capital lease accounting for tax purposes on PPAs of longer duration, if necessary.

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<sup>17</sup> As defined in PacifiCorp Transmission's OATT.

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#### D. BUILD TRANSFER AGREEMENT (BTA) PROPOSALS

PacifiCorp will consider build-transfer transactions whereby the bidder develops the resource, assumes responsibility for construction and then ultimately transfers the project to PacifiCorp upon or before the operation date, all pursuant to the terms of a BTA. The bidder will be responsible for all aspects of the development and construction of the facility, including, but not limited to, permitting, engineering, procurement, construction, interconnection and all related costs up to achieving commercial operation. Without limiting the foregoing, the bidder will be responsible for obtaining all permits, rights and resources required to construct and provide an operational generation resource consistent with the bidder's proposal.

In the 2020AS RFP, PacifiCorp is seeking build-transfer transactions for the following resource alternatives as previously summarized in Table 1:

1. New Renewable – Category A-2
  - a. BTAs will only be accepted for assets that are directly interconnected to PacifiCorp's system.
  - b. Conforming changes may be required in **Appendix F-2 - BTA Termsheet** to reflect specific resource types.
2. Renewable plus storage – Category B-2
  - a. Bidders should ~~secure provide~~ confirmation from PacifiCorp Transmission that the facility's interconnection request or LGIA, if already executed ~~representing for~~ the proposed renewable resource equipment and configuration and, will not require material modification to add a BESS.
  - b. BESS dispatch, when paired with renewable resource, must not exceed the LGIA's capacity.

In addition to the bid narrative and bid organization instructions in **Appendix B-2 - Instructions and Information Required in Bid Proposals**, BTA bidders should reference the submittal checklist in **Appendix F-1 - BTA Instructions to bidders**.

The bidder's proposal must contain their redline or other substantive comments to the BTA Termsheet provided in **Appendix F-2 – BTA Termsheet**. Bidders objecting to terms should provide alternate language and context to the objections for PacifiCorp to evaluate the alternate language. A bid that only provides a statement of "to discuss" or similar non-substantive commentary on the termsheet terms will be considered a non-conforming bid and subject to potential rejection in this RFP. While substantive comments to the BTA termsheet will be considered in evaluating a project for inclusion in the initial shortlist, substantive comments will be addressed in more detail with the bidders after selection on the initial shortlist and before development of the initial shortlist.

All bidders in this category must complete the information requested in **Appendix C-2 - Bid Summary and Pricing Input Sheet** (BTA tabs listed in Section 4.B of RFP).

The bidder must provide information, representations, and warranties sufficient to assure PacifiCorp that any proposed project will successfully complete construction and achieve full commercial operation by December 31, 2024, with the exception of the long-lead time resources identified as pumped storage hydro resources for the 2020AS RFP. BTA projects must provide



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documentation that the proposed resource will be eligible to claim any applicable federal or state tax credits or other benefits<sup>18</sup> as interpreted by applicable guidelines and rules of the federal Internal Revenue Service or applicable state revenue authority.

Bidders will be responsible for submitting an operation and maintenance (O&M) service proposal as part of the overall BTA bid submittal consistent with **Appendix K - General Services Contract for Operation and Maintenance Services**. Any BTA proposal that does not include an O&M proposal that contains pricing, scope and other key terms will be rejected as a nonconforming proposal.

Bidders should note that any proposal submitted in this BTA category must comply with the applicable technical and construction specifications contained in **Appendix A - Technical Specifications**<sup>19</sup> and must use the services of a single primary contractor.

To the extent the bidder uses a contractor or a separate legal entity other than the bidder itself, this entity must be experienced with the type of facility being proposed and meet credit criteria which may include a requirement for a parental guarantee, all as deemed acceptable to PacifiCorp in its sole discretion.

## SECTION 5. RESOURCE INFORMATION

### A. BID INFORMATION AND PRICING INPUTS

**Appendix C-2 - Bid Summary and Pricing Input Sheet** is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for bid type and category as described in Table 1 of the RFP. Bidders should reference the instructions in **Appendix C-1 - Bid Summary and Pricing Input Sheet (Instructions)** which provides detailed directions on each tab. Bidders are required to complete and submit **Appendix C-2 - Bid Summary and Pricing Input Sheet**, which contains ten (10) tabs.

### B. RESOURCE PERFORMANCE ESTIMATE INFORMATION

Bidders are required to provide a resource performance estimate prepared by a third party expert. In the alternative, bidders can provide an in-house energy performance report subject to PacifiCorp being able to replicate the results.

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<sup>18</sup> Bidders should provide specific details of claims for tax credits including legal opinions, equipment supply agreements, and documentation of ability to meet tax credit guidelines and rules.

<sup>19</sup> PacifiCorp has included only common technical specifications and ~~wind~~-resource specifications wind, solar, and BESS for build-transfer proposals ~~and BESS~~. For other renewable resources, PacifiCorp will work through the resource specifications on an as needed basis.

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Below is a summary of the requested resource performance information by resource type.  
Additional detail is provided in **Appendix C-3 - ~~Third Party~~ Energy Performance Report.**

WIND: For wind submittals, one (1) electronic and hard copy of an independent third-party or in-house wind assessment analysis/report supported by a minimum of (a) two years of wind data for BTA proposals from the proposed site or (b) one year of wind data for PPA proposals from the proposed site and one (1) electronic copy of the wind data that support the capacity factor.

SOLAR: For solar proposals, Bidder must provide one (1) electronic and hard copy of the PVSyst report and also the complete set of modeling input files in Microsoft Excel format that PacifiCorp can use to ~~simulate- replicate~~ the performance using PVSyst, PacifiCorp's preferred solar performance model. PacifiCorp will accept two years of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA and BTA bids. However, should a solar BTA bidder be selected to the initial shortlist, to remain on the initial shortlist, bidder must commit to install at least one solar monitoring station on the proposed solar site by November 15, 2020 with the ability to capture solar irradiance data for at least eight months and prior to being considered for the final shortlist. If a solar BTA bidder is selected to the final shortlist, bidder will commit to maintaining at least one on-site solar monitoring station through the entire construction period and provide the solar monitoring station and all collected solar irradiance data to PacifiCorp at BTA closing. On-site solar to support PVSyst modeling can either be from on-site met tower information specific to solar resource or solar panel solar resource. The performance estimation reports must meet the requirements in **Appendix A – Technical Specifications** for Solar. Production estimates should be representative P-50 annual hourly (8760 hours) energy profile reflecting expected unit availability and annual degradation as supported in vendor documentation. In the event the bidder chooses to use different performance modeling software than specified, the bidder must provide sufficient data and inputs for PacifiCorp to validate the expected performance of the proposed resource.

GEOTHERMAL: For geothermal proposals, a minimum of one production well and one injection well flow results for one year to support the viability and capacity of the geothermal resource along with a third party or in-house resource assessment report supporting the expected capacity factor.

BIOMASS: For biomass proposals, a letter of intent with a biomass fuel source for a period of ten (10) years or greater along with a third party or in-house resource assessment report supporting the expected capacity factor.

BIOGAS: For biogas proposals, a third party or in-house resource assessment report supporting the expected capacity factor. Report to include at a minimum, history of landfill, total volume permitted, volume filled, estimated closure date, organic fraction of the municipal solid waste, moisture levels, temperature and pH of the waste, future waste receipt, increase or decrease and average rainfall in the area.

STORAGE: For BESS proposals, the third party or in-house report should discuss system degradation, controls, location, life, cycles, load duration, description of shared facilities with the associated renewable generation facility and the other applicable information supporting the BESS expected performance.

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OTHER: For all other renewable and non-renewable resource submittals, one (1) electronic and hard copy of an independent third-party or in-house energy analysis/report supported by a minimum of (a) two years of motive force data (i.e., fuel acquisition, water flow, thermal well production, etc.) from the proposed site. Data must support the resource's capacity factor.

### C. DIRECT INTERCONNECTION TO PACIFICORP'S SYSTEM

~~As of the date of this draft RFP, PacifiCorp Transmission has filed an application received an order from with the Federal Energy Regulatory Commission (FERC)<sup>20</sup> on May 12, 2020, proposing allowing PacifiCorp Transmission to reform its interconnection study process set forth in its Open Access Transmission Tariff (OATT). The filing proposes interconnection queue reform process to replace the existing "serial queue" interconnection study process with a "first-ready, first-served, cluster" interconnection study approach. The proposal was filed on January 31, 2020 and has not yet been approved by FERC. However, in anticipation of queue reform being approved by FERC at time of issuance of this 2020AS RFP to market, PacifiCorp's 2020AS RFP process for bid evaluation, scoring, modeling, and selection reflects PacifiCorp Transmission's proposed interconnection queue reform process as described in its application at FERC OATT. Eligibility requirements or evaluation criteria in the 2020AS RFP will be revised as necessary to align with the final version of the interconnection queue reform approved by FERC before the 2020AS RFP is finalized and issued to the market. In the event that PacifiCorp Transmission's queue reform application is not approved by the time the 2020AS RFP is finalized and issued to the market, PacifiCorp will revise the 2020AS RFP to ensure it is consistent with the current interconnection queue process as described in PacifiCorp Transmission's OATT.~~

~~In the 2020AS RFP, That said, PacifiCorp offers now that the crux of the expected difference between the two types of interconnection processing (i.e., serial queue processing vs. under the interconnection queue reform, at the conclusion of the transition interconnection "first-ready, first-served, cluster study" processing) is when during the 2020AS RFP process, PacifiCorp could will consider a bidder's interconnection documentation and costs. More specifically, under the status quo serial queue process, PacifiCorp could evaluate a bidder's interconnection documentation earlier in the 2020AS RFP process because a bidder's ability to receive an interconnection study would not depend on satisfaction of the proposed queue reform commercial readiness criteria and completion of a future interconnection cluster study. Rather, a bidder will either have a serial queue interconnection study or an LGIA with the requisite demonstrations by the applicable 2020AS RFP deadline, or it will not. By comparison, under a first-ready, first-served, cluster interconnection process, as proposed by PacifiCorp in its January 31, 2020 filing with FERC, PacifiCorp will need to evaluate interconnection documentation later in the 2020AS RFP process because some bidders may need to wait until the proposed October 15, 2020 transitional cluster study is completed to have an interconnection study.~~

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<sup>20</sup> FERC Docket ER20-924

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PacifiCorp anticipates that it will receive bids having progressed through various stages of the ~~currently effective serial queue~~ interconnection study process. On one end of the spectrum, some bids are likely to have executed a LGIA with PacifiCorp Transmission, while on the other end of the spectrum, other bids are likely to have only submitted an interconnection request that will not yet have been studied. To ensure there is a fair comparison among bids, while the company will be reviewing the bidder's interconnection documentation to confirm it aligns with the bidder's bid, the cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp's transmission system will not be a bid requirement or included in the initial shortlist price evaluation.

Bidders will be required to meet the minimum eligibility requirement for RFP conformance demonstrating that its project bid conforms with the project's interconnection documentation, which could be: (a) only an interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp's transmission function on or before January 31, 2020; (b) serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp's proposed interconnection queue reform transition process; or (c) an executed LGIA.

At the conclusion of the transition cluster study phase, as part of updating bid pricing, bids selected to the initial shortlist will be required to provide direct assigned and network upgrade costs either from their cluster study results, their ~~serial-queue~~interconnection study documentation (if the bidder has ~~the option to keep~~retained the documentation under the parameters of PacifiCorp's ~~proposed~~ interconnection queue reform process), or from their executed LGIA.

**Bidders should be aware of and clearly understand the specific steps, criteria, milestones and schedule of PacifiCorp Transmission queue reform and transition cluster study process. Bidders selected to the initial shortlist who are rejected by PacifiCorp Transmission for not meeting all of PacifiCorp Transmission's non-commercial readiness criteria necessary to be included in the transition cluster study will be removed by PacifiCorp from the initial shortlist and deemed non-conforming bids.**

#### **D. TRANSMISSION SERVICE FOR DELIVERY TO PACIFICORP'S SYSTEM**

PacifiCorp will not accept build-transfer transactions for projects using third-party transmission service for delivery to PacifiCorp's system.

PacifiCorp's 2020AS RFP is accepting new and existing resources, proposed under a PPA transaction, capable of interconnecting with a third-party transmission system and using third-party firm transmission service to deliver to PacifiCorp's transmission system. The minimum eligibility requirements for off-system bidders include an unredacted interconnection system

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impact study with the third party transmission provider and documentation<sup>21</sup> of the availability of, and request for, long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to a point of delivery on PacifiCorp's system that is acceptable to PacifiCorp, achievable by December 31, 2024.

Bidders choosing the third-party interconnection and third-party transmission option are responsible for any current or future third-party tariff requirements or tariff changes including, but not limited to, interconnection, variable energy resource, electric losses, reserves, transmission, integration, imbalance, scheduling, and ancillary service arrangements required to deliver to the point of delivery on PacifiCorp's system. These costs will not be included in the evaluation of PPA proposals as they are assumed to be the responsibility of the bidder.

Bidders that propose bids relying on third-party transmission should also be aware that the use of transmission that is interruptible within the hour in any segment of the schedule or tagged from the source to the point(s) of delivery will require PacifiCorp to evaluate the cost and need to carry reserves against the schedule, which can be up to 100% in the case of electricity moved from a third party balancing authority area to PacifiCorp's network transmission system.

The PPA for a winning bid will contain contract milestone to provide an executed third party transmission service agreement six months prior to the project's contracted commercial operations date.

#### **E. NETWORK TRANSMISSION SERVICE ON PACIFICORP'S SYSTEM**

All proposals will require firm transmission on PacifiCorp's network transmission system to load and proposed resources must be able to be designated by PacifiCorp's merchant function as a network resource eligible for inclusion in PacifiCorp ESM's network integration transmission service agreement with PacifiCorp's transmission function ([www.oasis.pacifiCorp.com](http://www.oasis.pacifiCorp.com)). The terms and conditions specific to PacifiCorp's network transmission service request are further discussed in the pro forma PPA or BSA in **Appendix E-2 - PPA Documents** or **Appendix E-3 – BSA Documents** and the BTA term sheet in **Appendix F-2 - BTA Term Sheet**. Note, PacifiCorp's PPA, BSA, and BTA will include the following non-negotiable term: *"PacifiCorp shall have the right to terminate this Agreement if Network Service Provider confirms through the Tariff study process that network upgrades will be required on the Network Service Provider's transmission system in order to accept PacifiCorp's request to designate this Agreement as a Network Resource and the estimated cost to PacifiCorp of such network upgrades are in excess of XXX million dollars (\$X,000,000); provided, however, that such termination right under this section shall expire up to*

<sup>21</sup>Transmission service documentation to PacifiCorp's system is two-fold; firm capacity is available on third-party transmission provider and bidder has made a request to the third-party transmission provider to acquire firm point-to-point transmission service to PacifiCorp's system. Documentation should include copies of direct, dated correspondence from transmission service provider to bidder, showing evidence a request for transmission service was in fact made, and transmission provider is indicating to bidder that firm, uninterruptible transmission service will be available for bidder to procure, for a specified OATT service, and identified MW capacity, POR, POD, and term. Dated correspondence should be at least within 6 months of bid submittal.

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*one hundred and fifty eighty (180) days following the Effective Date (as may be extended for up to fifteen (15) additional days pursuant to the subsequent provision); provided, further, that prior to the exercise of such termination right, PacifiCorp shall deliver written notice to Seller of PacifiCorp's intent to terminate this Agreement and, unless the Parties otherwise mutually agree upon an alternative solution."*

#### **F. TAX CREDITS AND/OR PROJECT INCENTIVES**

Bidders bear all risks, financial and otherwise, associated with their or a facility's eligibility to receive any state or federal energy tax credits, sales tax waivers or exemptions, payment in lieu of tax (PILOT), or any other identified tax- or accounting-related, incentive, or benefit. The obligations of a bidder to perform under any executed agreement as a result of this solicitation remain effective and binding regardless of whether the sale of or the output from a bidder's facility under such agreement is eligible for or receives and tax credits or other tax- or accounting-related incentives or benefits.

For build-transfer transactions, PacifiCorp will require written attestation by an officer and documentation of the amount, timing and control of any and all available tax credits/incentives that the bidder's facility is eligible for, applied for, and/or received. Such documentation must include but not be limited to ownership rights to the credit, grant or incentive, timing including expiration dates and milestones to achieve the credit, grant, or incentive.

#### **G. ACCOUNTING**

All contracts proposed to be entered into as a result of this RFP will be assessed by PacifiCorp for appropriate accounting and tax treatment. Bidders are required to supply, upon request by PacifiCorp, any and all information that PacifiCorp reasonably requires in order to make these assessments if the bid is selected to the initial shortlist. Specifically, given the term length of the PPA, or the useful life of the asset to be acquired under an asset acquisition, accounting and tax rules may require either: (i) a contract be accounted for by PacifiCorp as a capital lease or operating lease<sup>22</sup> for book purposes pursuant to ASC 840, (ii) a contract be accounted for by PacifiCorp as a capital lease for tax purposes,<sup>23</sup> or (iii) assets owned by the seller, as a result of an applicable contract, be consolidated as a variable interest entity (VIE) onto PacifiCorp's balance sheet.<sup>24</sup> Potential accounting treatment impacts may be incorporated into the bid evaluation and selection process. For instance, if PacifiCorp determines that a long term PPA offering would be treated as a capital lease for tax purposes, PacifiCorp would be treated as the tax owner for the proposed facility.

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<sup>22</sup> The terms "Capital Lease" and "Operating Lease" have the meaning assigned to such terms in the Accounting Standards Codification (ASC) 840 as issued and amended from time to time by the Financial Accounting Standards Board (FASB).

<sup>23</sup> See IRS Code Section 7701(e) describing the test for capital lease for tax purposes.

<sup>24</sup> The term "Variable Interest Entity" or "VIE" - has the meaning assigned to such term in ASC 810 as issued and amended from time to time by the FASB.

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## H. COST ASSOCIATED WITH DIRECT OR INFERRED DEBT

PacifiCorp will not take into account potential costs to PacifiCorp associated with direct or inferred debt (described below) as part of its economic analysis in the initial shortlist evaluation. However, after completing the final shortlist and before the final resource selections are made, PacifiCorp may take direct or inferred debt into consideration. In so doing, PacifiCorp may obtain a written advisory opinion from a rating agency to substantiate PacifiCorp's analysis and final decision regarding direct or inferred debt.

Direct debt results when a contract is deemed to be a capital lease pursuant to ASC 840 and the lower of the present value of the nonexecutory minimum lease payments or 100% of the fair market value of the asset must be added to PacifiCorp's balance sheet.

Inferred debt results when credit rating agencies infer an amount of debt associated with a power supply contract and, as a result, take the added debt into account when reviewing PacifiCorp's credit standing.

## SECTION 6. BID EVALUATION AND SELECTION

### OVERVIEW OF THE EVALUATION PROCESS

PacifiCorp's bid evaluation and selection process is designed to identify the combination and amount of new resources that will maximize customer benefits through the selection of bids that will satisfy projected capacity and energy needs while maintaining reliability. Based on proxy resource cost assumptions used in the 2019 IRP, energy and capacity needs were best satisfied by the resource selections summarized in **Appendix H - 2020AS RFP Locational Capacity Limits**. The models that PacifiCorp will use to evaluate and select the best combination and amount of bids are the same models that were used to evaluate proxy resources in PacifiCorp's 2019 IRP. PacifiCorp uses the IRP modeling tools to serve as decision support tools that can be used to guide prudent resource acquisition paths that maintain system reliability at a reasonable cost.

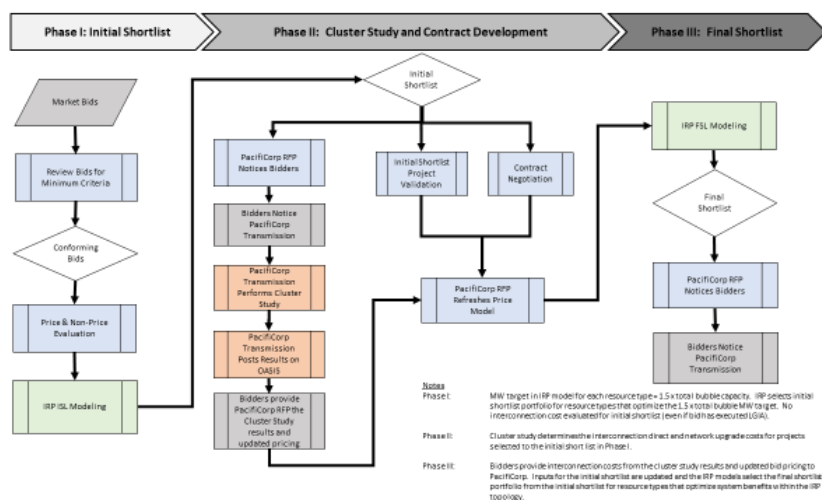
The bid evaluation process is designed to reflect PacifiCorp Transmission's ~~proposed~~ interconnection queue reform ~~application filed with FERC on January 31, 2020~~ including the transition period milestones and process steps. At a high level, the 2020AS RFP evaluation process involves three phases:

1. Initial shortlist
2. Interconnection cluster study and contract development, and
3. Final shortlist

The 2020AS RFP evaluation process is shown in Figure 1.

**Figure 1. Bid Evaluation and Selection Process**

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## A. PHASE I – INITIAL SHORTLIST

Phase I entails the acceptance of the bid, due diligence and screening to ensure bids conform with minimum requirements established in the 2020AS RFP, price and non-price scoring and ranking of the bids based on their location in relationship to the 2020 IRP topology and resource type, and advancing the lowest cost bids to the initial shortlist. During this phase of the bid evaluation process, PacifiCorp will not ask for, or accept, updated pricing or updates to any other bid components. PacifiCorp will rely on the pricing and other inputs as submitted into the 2020AS RFP for each bid. However, PacifiCorp will contact bidders to confirm and clarify information presented in each proposal. The pricing model will be made available to the IE, but not to bidders or stakeholders.

### 1. Conformance to Minimum Requirements

Bids will initially be screened after receipt against minimum requirements for RFP conformance, and after IE review and consultation, non-conforming bids will be notified to correct their bid within 24 hours or be removed from the RFP. ~~In the event FERC approves the company's interconnection queue reform filing submitted January 31, 2020 (FERC Docket ER20-924),~~ PacifiCorp will screen each project bid and confirm that it conforms with the project's interconnection documentation, which could be: (a) an interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp Transmission on or before January 31, 2020; (b) serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp's proposed interconnection queue reform transition process; or (c) an executed LGIA.

### 2. Price and Non-Price Scoring and Ranking



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Conforming bids will be evaluated using PacifiCorp's proprietary pricing models and ranked by resource type within each IRP topology location. PacifiCorp will limit the capacity in a given location to 150% of the capacity chosen by company's 2019 IRP preferred portfolio. This will be expanded further by selecting on a resource basis, a pool of up to the 150% capacity level for each IRP topology location. Those targets are shown in **Appendix H - 2020AS RFP Locational Capacity Limits** in the topology map on the right. For locations where the IRP preferred portfolio did not include any new resources in the 2023-2024 time frame, PacifiCorp will limit the total capacity by resource type to be no greater than 150% of the capacity available via enabling transmission upgrades for that location as assumed when developing the 2019 IRP.<sup>25</sup>

For example, in Southern Oregon, which is shown on the 2019 IRP Preferred Portfolio topology map to the left in **Appendix H**, 500 MW of solar and 125 MW of BESS were selected by the 2019 IRP. Bids located in Southern Oregon would be separated by resource type (i.e., solar, solar with a BESS, wind, pumped storage hydro, etc.), then ranked and selected up to a total of 750 MW for each resource type<sup>26</sup>, meaning that up to 750 MW of solar, 750 MW of wind, 750 MW of solar with BESS, etc. if available, would be scored and ranked in Southern Oregon for possible selection to the initial shortlist.

Bids including long-lead time resources will be evaluated as a separate resource type categories in each location in its evaluation and development of the Initial Shortlist. If no bids for a specific resource type are submitted, that resource type will not be included in the location. If PacifiCorp determines that there is a distinct change in bid scores at a level of capacity that falls short or exceeds this capacity limit, the company will coordinate with the IE to establish a limit by resource type that could either fall below or exceed the maximum total capacity for a given location.

Wyoming East – PacifiCorp eastern Wyoming region of the PACE BAA is treated differently from other topology areas because the interconnection capacity in that area has been studied extensively as part of PacifiCorp Transmission's long-term transmission planning resulting in the planned addition of Gateway South, a 500 kV high-voltage transmission line that will extend approximately 400 miles from the proposed Aeolus substation in southeastern Wyoming into the Clover substation near Mona, Utah. That expansion will enable approximately 1,920 MW of interconnection capability for generation projects in this area and therefore the capacity limit will be specifically tied to 1,920 MW. Bids in the Wyoming east cluster area are expected to trigger Gateway South to be added and account for its cost as part of the initial shortlist modeling process and later in the final shortlist modeling and selection process.

<sup>25</sup> IRP Table 6.11 – Transmission Integration Options by Location and Capacity Increment

<sup>26</sup> BESS capacity will be limited to 25% of the nameplate capacity of the collocated solar capacity (i.e., in Southern Oregon, 750 MW of solar would select 190 MW of BESS). PSH will be evaluated as a separate resource type in each location.

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- **Price Score (up to 75%).** PacifiCorp will calculate the delivered revenue requirement cost of each bid, inclusive of any applicable carrying cost and net of tax credit benefits, as applicable. In developing revenue requirement costs, PacifiCorp will use cost data for each bid. Any internal assumptions for key financial inputs (*i.e.*, inflation, discount rates, marginal tax rates, asset lives, AFUDC rates, *etc.*) and PacifiCorp carrying costs (*i.e.*, integration costs, owner's costs, *etc.*) will be applied consistently to all bids, as applicable. PacifiCorp anticipates that it will receive bids having progressed through various stages of the currently effective serial queue interconnection study process. On one end of the spectrum, some bids are likely to have executed LGIA with PacifiCorp Transmission, while on the other end of the spectrum, other bids are likely to have only submitted an interconnection request that will not yet have been studied. To ensure there is a fair comparison among bids, while the company will be reviewing the bidder's interconnection documentation to confirm it aligns with the bidder's bid, the cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp's transmission system will not be included in the initial shortlist price evaluation. At the conclusion of the transition cluster study phase, ~~assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP,~~ as part of updating bid pricing, bids selected to the initial shortlist will be required to provide direct assigned and network upgrade costs either from their cluster study results, their ~~serial queue interconnection~~ study documentation (if the bidder has ~~the option to keep kept~~ the documentation under the parameters of PacifiCorp's ~~proposed~~ interconnection queue reform process), or from their executed LGIA. At that time, bidders shall include their direct assigned and network upgrade costs in their refreshed prices for final short list evaluation.

The cost of each bid will be netted against system-value curves, which will be developed and locked down with the IE in advance of receiving bids. The system-value curves will be developed from Planning and Risk (PaR) model simulations that will calculate the hourly marginal system energy value of a flat energy profile and the hourly marginal operating reserve value of a flat operating reserve profile, by location.

Bid costs net of the applicable system-value will be used to assign a price score to each bid. This will be achieved by calculating an inflation-adjusted real-levelized net cost of capacity expressed in "\$/kW" based on the capacity contribution of each bid. This value will be force ranked, with a maximum of 75 points to the evaluated bid with the highest calculated net benefit by location and resource type, a minimum of zero (0) points to the evaluated bid with the lowest calculated net benefit; and the remaining bids scored on the 0 to 75 point scale according to the relationship of their respective calculated net benefits to those of the highest and lowest bids.

- **Non-Price Score (Up To 25%).** The non-price analysis will gauge the maturity and readiness of the project including development, site control, permitting, equipment procurement, conformance to PPA or BTA terms and conditions, schedule, and operational characteristics and the associated risks of each bid. A matrix will be used for each non-

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price factor and is included in **Appendix L – Non-Price Scoring Matrix**.<sup>27</sup> For each non-price factor, proposals will be assigned one of three discrete scores: (1) 100% of the percentage weight; (2) 50% of the percentage weight; or (3) 0% of the percentage weight as shown in the Non-Price Scoring Matrix. Bids will be evaluated based on their ability to demonstrate the proposal is thorough, comprehensive and provides limited risk to PacifiCorp before PacifiCorp performs due diligence on any given bid. Bidders that have a demonstrated track record and bids for mature proposals will receive higher scores. The following table summarizes the basis for weighting each non-price factor.

#### NON-PRICE FACTOR WEIGHTING

Non-Price Factor	Non-Price Factor Weighting
1. <del>Bid Submittal Completeness</del> Conformity to RFP Requirements	5%
2. <del>Contracting Progression and Viability</del> Conformance to pro-forma power purchase agreement or BTA termsheet	<del>40</del> 5%
3. Project Readiness <del>and</del> Deliverability <del>and</del> Operational Characteristics	<del>10</del> 5%

PacifiCorp will use the combined price and non-price results to rank bids. Based on these rankings, PacifiCorp will identify an initial pool of resources by location and resource type based on the total bid score (maximum at 100%, with a maximum of 75% for price and a maximum of 25% for non-price factors). This initial pool of resources will be made available as resource alternatives for IRP modeling.<sup>28</sup>

### 3. IRP Modeling and Selection of the Initial Shortlist

Upon identification of the initial pool of bids, bid inputs will be submitted to the IRP team for modeling of the resources using the production cost models used in the 2019 IRP. The production cost models will select the optimized portfolio of resources subject to the same total capacity limits used to score and rank bids in the initial pool of resources. As noted above, PacifiCorp will limit the capacity in a given location to 150% of the capacity included in the company's 2019 IRP preferred portfolio. For locations where the IRP preferred portfolio did not include any new resources in the 2023-2024 time frame, PacifiCorp will limit the total capacity by to be no greater than 150% of the interconnection capacity for that location as assumed when developing the 2019 IRP. Note, that the IRP modeling tools will selection among the least cost resource types by location based on bid cost and performance data.

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<sup>27</sup> OAR 860-089-400-2(b).

<sup>28</sup> Note, in instances where bidders offer a bid alternative for the same resource type in the same location, only the highest scoring bid alternative for that location and resource type will be included in the initial pool of resources.

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As was done in the 2019 IRP, reliability analysis will be performed on all initial bid selections to ensure that the selected portfolio of resources can meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events. Should incremental flexible resource capacity be required to maintain system reliability through 2024, these resources will be selected from bids capable of providing incremental flex capacity.

PacifiCorp will not make any of the IRP evaluation models available to the IE, bidders, or stakeholders. However, PacifiCorp will summarize how the IRP evaluation models function for the IE, who will have full access to the inputs and outputs of all IRP models used during the evaluation process.

#### **4. Initial Shortlist Notification by PacifiCorp**

PacifiCorp will notify bidders that were selected to the initial shortlist in Phase I.

#### **5. Bidder Notification to PacifiCorp Transmission**

~~Assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP,~~ Bidders will then be required to notify PacifiCorp Transmission of their selection to the initial short list to demonstrate they have met the "commercial readiness" criteria (in addition to having satisfied any other PacifiCorp Transmission defined requirements) established in PacifiCorp Transmission's interconnection queue reform process. Bidders will be responsible to ensure that their bid(s) submitted to PacifiCorp in response to the 2020AS RFP are in compliance with and represent existing interconnection service requests, study documentation, or existing contracts between Bidder and PacifiCorp Transmission.

*Bidders assume the risk, and PacifiCorp will not be held liable, in the event that a bid selected to the initial shortlist in the 2020AS RFP is deemed ineligible for PacifiCorp's transition cluster study due to deviations between the submitted project bid and the LGIA, study documentation, or application associated with such project as submitted to PacifiCorp Transmission, or due to a Bidder's failure to satisfy any other requirement of PacifiCorp's OATT. Bidders will be required to meet all requirements of PacifiCorp Transmission's transition cluster study process including deposits, payments, milestones and any penalties associated with withdrawals from the transition cluster process and could be subject to disqualification from the 2020AS RFP for any violation during the transition cluster study process.*

### **B. PHASE II – INTERCONNECTION CLUSTER STUDY AND CONTRACT DEVELOPMENT**

Phase II is composed of the following tasks: transition cluster study report issued by PacifiCorp Transmission ~~(assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP),~~ resource capacity factor verification and storage

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performance performed by third-party consultants for PacifiCorp, preliminary contract negotiations with the initial shortlist bidders,<sup>29</sup> and bid update by the initial shortlist.

## **2.1. Interconnection Cluster Study Report**

~~Assuming PacifiCorp's January 31<sup>st</sup>, 2020 interconnection queue reform proposal is adopted and applicable to this 2020AS RFP, the~~The transition interconnection cluster study report is expected to take approximately six months and will be performed by PacifiCorp Transmission in accordance with its approved transition interconnection queue reform process.

## **3.2. Resource Capacity Factor Verification and Storage Performance**

PacifiCorp will engage a third-party subject matter expert to verify the capacity factor of the proposed wind and solar resources selected to the initial shortlist consistent with Oregon rule 860-089-0400 5(a). In addition, PacifiCorp will engage a third-party subject matter expert to assist in the evaluation of bids including storage, specifically focused on the operating characteristics and specifications of the storage resource proposed by the bidder. This task will be done in parallel with the transition cluster study ~~(assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP).~~

## **4.3. Contract Development**

PacifiCorp will engage the initial shortlist bidders to work through terms and conditions in the applicable pro forma agreement or term sheet for each proposal using the submitted issues list and agreement mark-up contained in their bid. All initial shortlisted bidders will be expected to complete a near-final draft contract specific to their project on the timeline established in the 2020AS RFP, including any long-lead resources making the initial shortlist. Delay in completing the negotiations of a near-final draft contract may result in removal from the initial shortlist. Completing a near-final draft contract does not guarantee bidder selection to PacifiCorp's final shortlist. Only execution of a definitive agreement between PacifiCorp and the bidder after the final shortlist selection, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal.

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<sup>29</sup> Pursuant to OAR 860-089-0500(2) the company is required to request Commission acknowledgment of the final short list before it may begin negotiations. To achieve the proposed timeline necessary to allow commercial operation dates eligible for tax benefits, the company is considering a timeline where it commences contract negotiations prior to submission of the final shortlist to the Commission. PacifiCorp would not, however, complete negotiations until after a Commission determination on the final short list is made. The company will continue to evaluate the necessity of this timing during the development of the RFP, together with the selected IE, and submit a waiver request to the Commission from OAR 860-089-500(2), as necessary.

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#### 5.4. Bid Update

At the conclusion of the interconnection cluster study process (~~assuming PacifiCorp's January 31<sup>st</sup>, 2020 interconnection queue reform proposal is adopted and applicable to this 2020AS RFP~~), results of the transition cluster study will be posted to OASIS and participating parties including the initial shortlist bidders will be notified of their results. Bidders will be required to update their bid pricing and to include the direct assigned and network upgrade costs associated with interconnection either from their cluster study results, their ~~serial-queue~~interconnection study documentation, or from their executed LGIA. Best and final pricing must be provided for the same site using the same LGIA, study documentation, or application associated with the original bid, the same or similar project equipment, and on the same development and construction timeline as originally proposed.

### C. PHASE III – FINAL SHORTLIST

Phase III is the selection of the final shortlist. In Phase III, the same production cost models used for the IRP and for selection of the initial shortlist in Phase I will be rerun for the initial shortlist resources with updated bid pricing and interconnection costs results from either the bidder's cluster study results (~~assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP~~), their serial-queue study documentation, or their LGIA. After confirming that updated pricing meets the requirements of the 2020AS RFP, PacifiCorp will use the same proprietary models used for the Phase I initial ranking, with the bids' interconnection information, updated pricing, verified capacity factor, and storage evaluation, if applicable, to process bid costs for input into the IRP production cost models. PacifiCorp will use its System Optimizer (SO) model (the same model used by PacifiCorp to develop resource portfolios in the 2019 IRP) to develop a resource portfolio. As was done in the 2019 IRP and in Phase I, PacifiCorp will perform a reliability assessment to ensure that the selected portfolio of resources can meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events. Should incremental flexible resource capacity be required to maintain system reliability, these resources will be selected from the initial shortlist of bids that are capable of providing incremental flex capacity or remove resources to hit the targeted reliability requirements. PacifiCorp will not update the non-price portion of the bid evaluation from Phase I. Cost and risk analysis, along with any other factors not expressly included in the formal evaluation process, but required by applicable law or commission order, will be used by PacifiCorp, in consultation with the IE, to establish the final shortlist.

#### 1. Processing of Best and Final Bids

In processing bid costs, PacifiCorp will convert any calculated revenue requirement associated with capital costs, as applicable (i.e., return on investment, return of investment, and taxes, net of tax credits, as applicable) to first-year-real-levelized costs, consistent with the

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treatment of capital revenue requirement in PacifiCorp's IRP modeling. All other bid costs will be summarized in nominal dollars and formatted for input into the IRP models, consistent with the treatment of non-capital revenue requirement in PacifiCorp's IRP modeling. Projected renewable resource performance data (expected hourly capacity factor information) will also be processed for input into the IRP models.

## 2. Bid Resource Portfolio Development

The initial shortlist with updated pricing and costs will be submitted to the IRP modeling team representing the final shortlist pool from which the IRP models will select the final short list. However, with the cluster study results available ~~(assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP)~~, resource selections will be informed by interconnection costs and potential limits on interconnection capacity. PacifiCorp will SO to develop a resource portfolio, tested for reliability, that contains the selection of updated initial shortlist bids providing the lowest cost, to establish the final shortlist. If during the reliability assessment, the selected portfolio of resources does not meet all hourly load and operating reserve requirements with sufficient cushion to account for other system uncertainties such as non-normal weather events, and incremental flexible resource capacity is required to maintain system reliability, PacifiCorp in consultation with the IE, may add resources from the initial shortlist of bids that are capable of providing incremental flex capacity or remove resources to hit the targeted reliability requirements. Bids will be available for selection to the resource portfolio for a range of different environmental policy and market price scenarios (policy-price scenarios).<sup>30</sup>

## 3. Stochastic Risk Analysis

PacifiCorp will also evaluate each of the resource portfolios developed with the SO model using PaR—the same model used in PacifiCorp's 2019 IRP to analyze stochastic resource portfolio risk. PaR captures stochastic risk in its production cost estimates, without altering the resource portfolio, by using Monte Carlo sampling of stochastic variables, which include: load, wholesale electricity and natural gas prices, hydro generation, and thermal unit outages. For purposes of the 2020AS RFP, PaR will be used to calculate the stochastic mean PVRR and the risk-adjusted PVRR for each policy-price scenario.<sup>31</sup>

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<sup>30</sup> Policy-price scenarios will be conceptually consistent with those used in the 2019 IRP (i.e., alternative environmental policy assumptions among low, medium, and high price scenarios), but updated to reflect PacifiCorp's assessment of the most current information. Policy-price scenario assumptions will be established and reviewed with the IE before updated bids with updated pricing are received and opened.

<sup>31</sup> The stochastic mean metric is the average of system net variable operating costs among 50 iterations, combined with the real-levelized capital costs and fixed costs taken from the SO model. The risk-adjusted metric adds 5% of system variable costs from the 95<sup>th</sup> percentile to the stochastic mean. The risk-adjusted metric incorporates the expected value of low-probability, high-cost outcomes.

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#### **4. Identifying Top-Performing 2020AS RFP Renewable Resource Portfolios**

PacifiCorp will summarize and evaluate the 2020AS RFP resource portfolios to identify the specific bid resources that are most consistently selected among the policy-price scenarios. Based on these data, and in consultation with the IE, PacifiCorp may select one or more 2020AS RFP resource portfolios for further scenario risk analysis.

#### **5. Scenario Risk Analysis**

This step of the evaluation process will help identify whether top-performing portfolios exhibit especially poor performance under a range of future policy-price scenarios. PacifiCorp will develop new system resource portfolios around the top-performing 2020AS RFP resource portfolios and calculate a system PVRR for each policy-price scenario. Similarly, the portfolios developed in the SO model will be evaluated in PaR, and PacifiCorp will calculate a stochastic mean PVRR and a risk-adjusted PVRR for each policy price-scenario.

#### **6. Other Factors: Applicable Law and Statutory Requirements**

Before establishing a final shortlist, PacifiCorp may take into consideration, in consultation with the IE, other factors that are not expressly or adequately factored into the evaluation process outlined above, particularly any factor required by applicable law or Commission order to be considered.

#### **7. Final Shortlist Selection**

PacifiCorp will summarize and evaluate the results of its scenario risk analysis, considering PVRR results, to identify the specific least-cost bids. Based on these data and certain other factors as described above, and in consultation with the IE, PacifiCorp may establish a final shortlist.

~~Assuming PacifiCorp's January 31<sup>st</sup> interconnection queue reform proposal is adopted and applicable to this 2020AS RFP, s~~Selection of the final shortlist may be conditioned on the results of a restudy under PacifiCorp Transmission's transition cluster study process.

After the final shortlist is established and approved, PacifiCorp will re-engage in negotiations with the selected bidders to finalize their contract and prepare the contract for execution. Selection of a bid to the final shortlist does not constitute a winning bid. Only execution of a definitive agreement between PacifiCorp and the bidder, on terms acceptable to PacifiCorp, in its sole and absolute discretion, will constitute a winning bid proposal.

### **SECTION 7. AWARDING OF CONTRACTS**

#### **A. INVITATION**

This RFP contains only an invitation to make proposals to PacifiCorp. No proposal is itself a binding contract unless the parties execute definitive and complete documentation providing otherwise.



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PacifiCorp may in its sole discretion do any one or more of the following:

1. Determine which proposals are eligible for consideration in response to this RFP.
2. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each bidder.
3. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
4. Negotiate with bidders to amend any proposal.
5. Select and enter into agreements with the bidders who, in PacifiCorp's sole judgment, are most responsive to the RFP and whose proposals best satisfy the interests of PacifiCorp and its customers, and not necessarily on the basis of price alone or any other single factor.
6. Issue additional subsequent solicitations for proposals.
7. Waive any irregularity or informality on any proposal to the extent not prohibited by law.
8. Reject any or all proposals in whole or in part.
9. Vary any timetable.
10. Conduct any briefing session or further RFP process on any terms and conditions.
11. Withdraw any invitation to submit a response.

#### **B. BASIS OF REJECTION**

Proposals may be rejected for any reason including but not limited to not meeting the minimum eligibility requirements identified in Section 3.H of this RFP.

#### **C. NON-RELIANCE LETTER**

All parties will be required to sign **Appendix G-2 - Non-Reliance Letter** if they qualify for the initial shortlist.

#### **D. POST-BID NEGOTIATION**

Post bid negotiations will be accomplished in two phases. PacifiCorp will negotiate initial terms and conditions of contracts with the initial shortlist in Phase II and further negotiate final contract terms including both price and non-price factors following issuance of the final shortlist. ~~initial shortlist as part of the contract negotiation in Phase II.~~ PacifiCorp will also include in its evaluation any factor that may impact the total cost of a resource, including but not limited to all of the factors used in the final shortlist cost analysis plus consideration of accounting treatment and potential effects due to rating agency treatment, if applicable. Post-bid negotiation will be based on PacifiCorp's cost assessment. PacifiCorp will continually update its economic and risk evaluations until both parties execute a definitive agreement for a selected resource acceptable to PacifiCorp in its sole and absolute discretion.

PacifiCorp has no obligation to enter into any agreement with any bidder to this RFP and PacifiCorp may terminate or modify this RFP at any time without liability or obligation to any

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bidder. In addition, this RFP does not in any way prevent PacifiCorp from entering into any agreement that PacifiCorp deems prudent, in PacifiCorp's sole discretion, at any time before, during, or after this RFP process is complete. Finally, PacifiCorp reserves the right to negotiate only with those entities that propose transactions that PacifiCorp believes in its sole discretion have a reasonable likelihood of being executed.

#### **E. SUBSEQUENT REGULATORY ACTION**

Unless mutually agreed between the parties in a definitive agreement or unless required by actual (or proposed) law or regulatory order, PacifiCorp does not intend to include a contractual clause whereby PacifiCorp is allowed to adjust contract prices in the event that an entity who has regulatory jurisdiction over PacifiCorp does not fully recognize the contract prices in determining PacifiCorp's revenue requirement. As of the issuance date for this solicitation, PacifiCorp is unaware of any such actual law or regulatory order.

#### **F. RFP RESULTS**

At the conclusion of the 2020AS RFP after execution of all contracts or cancellation of the RFP, PacifiCorp will make individual bidder's score available to the bidder, upon request<sup>32</sup>, and make a publicly available filing in the Oregon RFP docket providing the average bid score and the average price of a resource by resource type from the final shortlist<sup>33</sup>.

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<sup>32</sup> OAR 860-089-500(6)

<sup>33</sup> OAR 860-089-500(5)

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## APPENDICES

### APPENDIX A 2020AS RFP Project Technical Specification for BTAs

#### APPENDIX B-1 Notice of Intent to Bid

#### APPENDIX B-2 Instructions and Information Required in Bid Proposals

#### APPENDIX C-1 Bid Summary and Pricing Input Sheet (Instructions)

#### APPENDIX C-2 Bid Summary and Pricing Input Sheet

#### APPENDIX C-3 Energy Performance Report

#### APPENDIX D Bidder's Credit Information

#### APPENDIX E-1 PPA, BSA, and PSH Instructions to Bidders

#### Appendix E-2 Power Purchase Agreement (PPA) Documents

#### Appendix E-3 Battery Storage Agreement (BSA) Documents

#### Appendix E-4 Pumped Storage Hydro (PSH) Documents

#### APPENDIX F-1 BTA Instructions to Bidders

#### APPENDIX F-2 Build Transfer Agreement (BTA) Documents

#### APPENDIX G-1 Confidentiality Agreement

#### APPENDIX G-2 Non-Reliance Letter

#### APPENDIX H 2020AS RFP Locational Capacity Limits

#### APPENDIX H-1 Major Substations associated with Locational Capacity Limits

#### APPENDIX I FERC's Standards of Conduct

#### APPENDIX J PacifiCorp Transmission Waiver

#### APPENDIX K General Services Contract-Operations & Maintenance Services for Project

#### APPENDIX L Non-Price Scoring Matrix

#### APPENDIX M Role of the Independent Evaluator

#### APPENDIX N PacifiCorp's Organization for RFP Process

#### APPENDIX A 2020AS RFP Project Technical Specification for BTAs

#### APPENDIX B-1 Notice of Intent to Bid

#### APPENDIX B-2 Instructions and Information Required in Bid Proposals

#### APPENDIX C-1 Bid Summary and Pricing Input Sheet (Instructions)

#### APPENDIX C-2 Bid Summary and Pricing Input Sheet

#### APPENDIX C-3 Third Party Energy Performance Report

#### APPENDIX D Bidder's Credit Information

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APPENDIX E 1 PPA and BSA Instructions to Bidders

Appendix E 2 Power Purchase Agreement (PPA) Documents

Appendix E 3 Battery Storage Agreement (BSA) Documents

Appendix E 4 Pumped Storage Hydro (PSH) Documents

APPENDIX F 1 BTA Instructions to Bidders

APPENDIX F 2 Build Transfer Agreement (BTA) Documents

APPENDIX G 1 Confidentiality Agreement

APPENDIX G 2 Non-Reliance Letter

APPENDIX H 2020AS RFP Locational Capacity Limits

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## APPENDIX A

### 2020AS RFP Project Technical Specification for BTAs

#### [INCLUDED AS SEPARATE ATTACHMENTS]

Project technical specifications for BTAs are provided in four categories:

1. General Technical Specification pertaining to all BTA bids
2. Wind Technical Specifications pertaining to all wind resource BTA bids
3. Solar Technical Specifications pertaining to all solar resource BTA bids
4. Battery Storage Technical Specifications pertaining to all battery storage BTA bids

PacifiCorp will provide any additional Technical Specifications for BTA bids with other resource types upon Notice of Intent to bid submittal.

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## APPENDIX B-1

### Notice of Intent to Bid

Bidders who intend to be considered as part of the 2020AS RFP process must return complete:

1. **Appendix B-1 – Notice of Intent to Bid Form,**
2. **Appendix D - Bidder's Credit Information,** and
3. **Appendix G-1 - Confidentiality Agreement,** as set forth below.

Bidders shall submit an electronic copy of **Appendix B-1, Appendix D, and Appendix G-1** to the following PacifiCorp and IE's email addresses, no later than **5:00 p.m. Pacific Prevailing Time on Monday, July 20, 2020.**

Email:

PacifiCorp	<a href="mailto:RFPAllSource@PacifiCorp.com">RFPAllSource@PacifiCorp.com</a>
Utah IE – Merrimack Energy	<a href="mailto:MerrimackIE@merrimackenergy.com">MerrimackIE@merrimackenergy.com</a>
Oregon IE – PA Consulting	<a href="mailto:2020AS_IE@PAConsulting.com">2020AS_IE@PAConsulting.com</a>

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#### Notice of Intent to Bid Form

This is to declare that the undersigned intends to respond to PacifiCorp's 2020 All Source Request for Proposals, (2020AS RFP). If multiple facilities are being bid, please provide one Notice of Intent to Bid for each facility. A facility may have multiple bids alternatives (i.e., solar facility with PPA term of 20 years and 25 years).

#### 2020 All Source Request for Proposals (2020AS RFP)

	Base Bid	Bid Alternative
Bidder Company (legal entity of intended signatory to a contract)		
Company Ownership (direct and indirect owners of Company; include organizational chart)		
Contact Person		
Mailing Address		
Phone(s)		
Email		
Project / Facility Name		
Resource type		
Storage type, if included		
Structure: BTA, PPA, BESS		
If a PPA or PPA with BESS, indicate term in years		
Size of each bid asset in MW capacity (nominal)		
Location (County, State)		
GPS coordinates		
Proposed point of interconnection to PacifiCorp's system or if off-system, proposed point of delivery		
PacifiCorp interconnection queue #		
Estimated Commercial Operation Date (month/year)		

#### PacifiCorp Affiliate Certification

By signing below Bidder represents that (a) neither Bidder Company nor any affiliate of Bidder Company has an affiliate relationship (whether by ownership, joint venture or other association) with PacifiCorp or any PacifiCorp affiliate; (b) the proposed bid(s) is for power generated by facilities that are not owned by, or otherwise associated with PacifiCorp, or any PacifiCorp affiliate. For purposes of this certification, PacifiCorp affiliates include any affiliates of Berkshire Hathaway, Inc. A list of Berkshire Hathaway, Inc., affiliates will be provided upon request.

Authorized Signature

\_\_\_\_\_

Print Name

\_\_\_\_\_

Title

\_\_\_\_\_

Date

\_\_\_\_\_

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## APPENDIX B-2

### Instructions and Information Required in Bid Proposals

This **Appendix B-2** describes PacifiCorp's expectations and requirements for the 2020AS RFP bids. In general, PacifiCorp expects bidders to provide any information that could impact the cost, reliability, dispatch frequency, or output capability of a resource. **Appendix E-1 - PPA Instructions to Bidder** and **Appendix F-1 – BTA Instructions to Bidder** provide additional detail on bid document deliverables. Due to differences between PPA and BTA bids, bidders should pay strict attention to instructions to ensure bids are in compliance with the instructions as outlined. For example, certain items in **Appendix B-2** will only apply to BTA proposals (as explained in the instruction document).

#### Bid Checklist

Each bidder must provide complete information as requested. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the bid submittal. Specific appendices to include in the bid submittal are shown in column C for the applicable bid structure type in Column D or E.

Bid Checklist Table

A	B	C	D		E
	2020AS RFP Bid Applicability	Bid must include completed Appendix	Applicable to		
Appendix A	Resource Technical Specification		PPA / <del>or</del> BSA/PSH	BTA	
Appendix A-2	Interconnection Agreement, if available	X	X		X
Appendix A-3	Permit-Matrix	X	X		X
Appendix A-5	Project One-Line Drawing and Layout	X	X		X
Appendix A-6	Division of Responsibility	X			X
Appendix A-7	Owner Standards and Specification				X
Appendix A-9	Product Data- Equipment Supply Matrix	X	X		X
Appendix A-10	Plant Performance Guarantee/Warranties	X			X
Appendix B-1	Intent to Bid Form as submitted	X	X		X
Appendix B-2	Information Required in Bid Proposal		X		X
Appendix C-1	Bid Summary and Pricing Input Sheet Instructions		X		X
Appendix C-2	Bid Summary and Pricing Input Sheet	X	X		X
Appendix C-3	<del>Third-Party</del> Energy Performance Report	X	X		X
Appendix E-1	PPA Instructions to Bidders		X		
Appendix E-2	Redline to PPA and exhibits (PPA or PPA w/ BESS)	X	X		
Appendix E-3	Redline to BSA and exhibits	X	X		
Appendix E-4	Redline to PSH Toll Termsheet	X			
Appendix F-1	BTA Instructions to bidders				X
Appendix F-2	Redline to BTA Term Sheet	X			X
Appendix G-1	Confidentiality Agreement	X	X		X
Appendix J	PacifiCorp Transmission Waiver	X	X		X
Appendix K	General Services Contract-O&M Services	X			X

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## PROPOSAL FORMAT

PacifiCorp is requesting that bidders conform to the following format for presenting their bid information:

**Section 1 - Executive Summary of Proposal** - The executive summary section should provide an overall description of the proposal and its key benefits and advantages to PacifiCorp. It should include a general description of the technology, location, and business arrangement for the bid including a pricing summary for the bid and bid alternatives. Bidder must confirm the terms and conditions of their proposal will remain effective through April 22, 2021. [Bidders selected to the initial shortlist will have an opportunity to update bid pricing on or about April 22, 2021 when PacifiCorp Transmission completes its transition interconnection cluster study.](#) Failure of a bidder to honor the terms and conditions of its proposal for the period stated in its executive summary may result in the bidder being disqualified as a bidder in future RFPs.

**Section 2 – Resource Description** - This section should provide a description of the resource, including:

- Description of technology and configuration including:
  - i. Resource type
  - ii. Storage type if applicable
  - iii. Description of type of generation and/or storage equipment
  - iv. Manufacturers of major equipment (Bidders should complete **Appendix A-9 Product Data Equipment Supply Matrix**).
  - v. Date of manufacture or age of major equipment
  - vi. Hours of operation and major maintenance performed for any previously owned/operated equipment
- Appropriate appendices contained in **Appendix A - Resource Technical Specification** for PPA, BSA, and BTA bids.

PPA, BSA, and BTA bidders must provide submittals for and fulfill the requirements of:

- i. **Appendix A-2 Interconnection Agreement**, if available
- ii. **Appendix A-3 Permit Matrix**,
- iii. **Appendix A-5 Project One-Line Drawing and Layout**,
- iv. **Appendix A-9 Product Data-Equipment Supply Matrix**.

BTA bidders are also required to provide submittals for or narrative describing conformance to:

- i. **Appendix A-6 Division of Responsibility**
- ii. **Appendix A-7 Owners Standards and Specifications**
- iii. **Appendix A-10 Plant Performance Guarantee/Warranty**

- Completed tabs in **Appendix C-2 - Bid Summary and Pricing Input Sheet**, an excel spreadsheet which contains ten (10) tabs, as further described in **Appendix C-1. Bidders providing multiple alternatives must provide a copy of Appendix C-2 – Bid Summary and Pricing Input Sheet for each alternative.**
- Site layout description and location including GPS coordinates.

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- Demonstration of site control for the project excluding right-of-way or easements for transmission, roads, or access to the site.
- Information regarding location and transmission availability, if applicable for off-system resource.
- Status of interconnection arrangements (location, transmission provider and control area). The interconnection arrangements should be provided in more detail under Section 6 – Interconnection and Transmission Service of the bid proposal.
- Status of transmission service agreement for off-system bids, if applicable.
- Expected and guaranteed annual energy production in megawatt-hours (MWh).
- Expected generation on a 12 month by 24 hour basis (i.e. a representative day for each month of the year).
- Annual percent (%) degradation of the annual energy production, if any.
- Estimated annual availability and any guaranteed minimum annual availability.
- Operating limits or any limits on the number of hours the resource may be operated per year or unit of time.
- Bidder must provide a forecasted energy performance analysis prepared by an independent third party engineering firm as further described in **Appendix C-3 - Third-Party Energy Performance Report** for the type of resource proposed.
- Project schedule, listing tasks and milestones with estimated completion dates.
- Description of financing plan, if any.
- Terms of warranties and/or guarantees on major equipment.
- Description of operation and maintenance plan and services.

**Section 3 - Bidder's Qualifications** – Information in this section should include the information bidder supplied from **Appendix D – Bidder's Credit Information** in the Intent to Bid submittal. This section should include, but not be limited to, the following information:

- Corporate structure and primary and secondary businesses including all legal entity names.
- Location of offices.
- Biographies of key officers.
- Developer projects and independent power supply ventures participated in the last three to five years.
- At least one primary contact and one back-up contact (name, telephone number and e-mail address) for each project or power supply venture referenced in the bidder's proposal (for reference purposes).
- Description of any current or previous contract dispute(s) involving similar projects in which the bidder is or was involved during the last five years.
- Separate descriptions, as appropriate, for each member of a consortium or partnership of two or more firms and the relationship between the firms for this proposal.

**Section 4 - Financial Information** – Briefly summarize information provided pursuant to **Appendix D – Bidder’s Credit Information**.

**Section 5 - Pricing Proposal and Pro Forma Project Financing** – Describe in detail the pricing proposal, including the use of any index, escalation factors, or other costs to PacifiCorp. BTA bids must provide pro forma financial projections showing cash flow, income statement, and balance sheet, application of tax credits, incentives or grants, sources and uses of funds, construction draw schedule, and include all financing assumptions. At a minimum the pro forma financial projections should include the following:

- Expected annual energy production<sup>1</sup> and revenue.
- Annual operating expenses including operations and maintenance costs, G&A expenses, land leases, royalty payments, property taxes, insurance and other expenses.
- Transmission service and ancillary services costs (if any).
- Debt service.
- Debt coverage ratios (by year).
- Depreciation.
- Taxes and tax credits, incentives, grants.
- Working capital requirements.
- Net income.
- Equity rate of return.

**Section 6 – Interconnection & Transmission Service** - Each proposal must include a description of the location of its proposed interconnection facilities, distribution or transmission facilities, including proposed delivery points. See **Appendix A-5 - Project One-Line Drawing and Layout**. Bidders should be aware of any transmission requirements or specifications that could affect their equipment selection and costs and take those specifications into consideration in preparing their bid submittal. Bidders should review and understand the North America Electric Reliability Corporation (NERC) guidelines regarding technical requirements and modeling for renewables.<sup>2</sup> A more detailed description of operating requirements and specifications is included in **Appendix A - Technical Specification** by resource type.

Bids with projects directly interconnected to PacifiCorp’s system. The cost for any direct assigned and transmission network upgrades associated with the interconnection of a proposed project to PacifiCorp’s transmission system is not a minimum requirement and is excluded from the initial shortlist price evaluation.

Bidders will however, be required to meet the minimum eligibility requirement demonstrating that its project bid conforms with the project’s interconnection documentation, which could be: (a) an accepted interconnection request, as long as it was submitted by the interconnection customer to PacifiCorp’s transmission function on or before January 31, 2020; (b) a serial-queue interconnection study documentation if the bidder has the option to keep that documentation under the parameters of PacifiCorp’s ~~proposed~~ interconnection queue reform transition process; or (c) an executed LGIA.

Bids not directly interconnected to PacifiCorp’s system. Off-system bidders must include the following in their bid; (a) an unredacted interconnection system impact study with its third party transmission interconnection provider demonstrating interconnection is achievable on or before

<sup>1</sup> Expected Annual Energy production must be the same value used in other parts of this proposal.

<sup>2</sup> NERC, Improvements to Interconnection Requirements for BPS-Connected Inverter-Based Resources, September 2019

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December 31, 2024, and (b) documentation of the availability of, and request for, long-term, firm third-party transmission service from the resource's point of interconnection with the third party's system to a proposed point of delivery acceptable by PacifiCorp on PacifiCorp's system.

**Section 7 – Environmental and Siting** – The bidder is exclusively and entirely responsible for meeting and satisfying all federal, state and local permits, licenses, approvals and/or variances required to assure physical delivery of energy in accordance with any PPA or BTA. Bidder must identify all applicable permits that bidder has secured or will be required to receive in order to construct and operate the facility as outlined in **Appendix A-3 – Permit-Matrix**. Bidders must furnish applicable detailed project site, interconnection and electric distribution/transmission information, a description of all required permits, and a project timeline so PacifiCorp can assess site suitability, schedule risk, and project viability. The proposed site(s) must clearly be shown on a United States Geological Survey (USGS) 7.5-minute series map.

Bidder must provide information on any scoping, feasibility and other associated studies conducted to assess environmental impacts and to obtain necessary permits. This information must include all studies related to wildlife (including protected species, such as those protected under the federal Endangered Species Act, federal Bald & Golden Eagle Protection Act, federal Migratory Bird Treaty Act and applicable state laws), archeological, vegetation, hydrological, geotechnical, visual, noise, air quality, and other environmental impacts related to the project. Impacts to designated wilderness, national and state parks, and other protected areas should be noted. The studies provided by bidder should describe the methodologies for such studies and identify the person(s) or firm(s) who conducted and completed the work. If such studies are in progress, bidder should describe the scope and schedule for completion and identify the person(s) or firm(s) doing the studies and methodologies to be employed. Bidder should describe measures that will be taken to minimize the potential for environmental, wildlife, visual and cultural impacts of the project. Finally, bidder should discuss plans to engage community and environmental stakeholders to support the proposed project.

To the extent applicable, the bidder should clarify the following information with respect to any proposed facility site (see **Appendix A – Technical Specifications** for additional detail applicable to specific resource type):

- i. List of studies conducted; required environmental, construction and other regulatory permits and timelines.
- ii. Prevailing noise ordinance at the site and expected sound level (A-weighted) at the site boundary.
- iii. Proposed site plans, layouts, elevations or other aspects of the facility.
- iv. Types of transportation access required.
- v. Characterization of the area surrounding the site including a description of local zoning, flood plain information (100 yr. & 500 yr.), existing land use and setting (woodlands, grasslands, agriculture, etc.).
- vi. Proximity and extent of nearest wetlands and description of types of all types of all nearby wetlands and water bodies, including any proposed impacts.
- vii. Information on fish, avian species and other wildlife and vegetation inhabiting the area of the project.
- viii. Proximity to nearest endangered or threatened or critical species habitat and information on all nearby endangered or threatened species which could potentially be impacted, including species protected under the federal Bald and Golden Eagle Protection Act and the federal Migratory Bird Treaty Act.

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- ix. Proximity to nearest historical or archaeological resources and all nearby historical or archaeological resources which could potentially be impacted.
- x. Location and distance to population centers which could be impacted.
- xi. Expected site ambient temperature extremes and verification that freeze protection will be provided if necessary.

**Section 8 – Contract Terms** – Bidder must identify with specificity any exceptions to the terms of the PPA documents, the BSA, [the PSH termsheet](#), or the BTA Termsheet, as applicable, as provided in **Appendix E-2 Power Purchase Agreement (PPA) Documents, Appendix E-3 Battery Storage Agreement (BSA) Documents, Appendix E-4 Pumped Storage Hydro (PSH) Documents, —or Appendix F-2 Build Transfer Agreement (BTA) Termsheet.** Bidder should include both a list of exceptions to the terms of the agreement including comments to terms and conditions that bidder has issues with and a mark-up of either of the pro-forma PPA, BSA, [PSH termsheet](#), or the [BTA term sheet](#). Bidders objecting to terms should provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the alternate language. Conformity to those documents is strongly encouraged and significant revisions and exceptions to the pro-forma PPA, BSA, [PSH termsheet](#), or BTA Termsheet will influence PacifiCorp’s non-price evaluation of the bid. NOTE: PSH bidders will be allowed to submit their own version of a toll termsheet for their project as an alternative to a full mark-up of Appendix E-4

**Section 9 – O&M Services Contract Terms (BTA Option Only)** – BTA bidders must provide a comprehensive listing/description of all contract terms that the bidder would seek during contract negotiations regarding operating and maintenance services for the asset. Bidder may supply a markup of the documents found in **Appendix K - General Services Contract-Operations & Maintenance Services for Project** with their proposal, **although conformity to those documents is strongly encouraged.** Bidders objecting to terms are encouraged to provide suggested alternate language and provide context to the objection for PacifiCorp to evaluate the language.

## APPENDIX C-1

### Bid Summary and Pricing Input Sheet (Instructions)

#### General Bid Summary Instructions for PPA, BSA, PSH, and BTA.

Bidder should complete and submit **Appendix C -2 - Bid Summary and Pricing Input Sheet**. This is an Excel-based worksheet that covers bid summary information, energy production profile, and pricing for bid type and category as described in Table 1 of the RFP. There are ten (10) tabs on this worksheet:

Tab	Description	Resource Category				Structure			
		Renewable	Renewable plus storage	Standalone Storage	Non-Renewables	PPA	BTA	BSA	PSH
1	Data Inputs	Project detail	X	X	X	X	X	X	X
2	8760 First Year Generation Profile	First contract year - Expected 8760 Net Energy delivered to PacifiCorp at P50 Production - Applies to renewables	X	X		X	X		
3	PPA Pricing	PPA Pricing structure	X	X	X	X			
4	Battery Pricing & Ops	BESS pricing and Operations		X	X			X	
5	Non-Renewable Price Schedule	Pricing schedule for Tolling Agreements, CCCT, SCCT, Pumped Storage, or Methane Bids Only			X	X			X
6	BTA Pricing	BTA pricing structure	X	X	X		X		
7	Non-Renewable Site Info	Site Conditions for CCCT and SCCT			X	X	X		
8	Startup Parameters	Startup parameters for CCCT and SCCT			X	X	X		
9	Expected Performance	Expected performance for CCCT and SCCT			X	X	X		
10	Additional Data	Blank tab to add data	X	X	X	X	X	X	X

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#### Power Purchase Agreement

- Bidder's submitting PPA bids shall provide the information requested in **tabs 1, 2 and 3** in the **Appendix C-2** spreadsheet.
- Non-renewable bids would include **tabs 1, 3 and 5** in the **Appendix C-2** spreadsheet.
- Tab 10** can be used for any additional information to support bid.

#### Battery Storage Agreement

- BSA bids shall provide the information requested in **tabs 1, 2, 3 and 4** in the **Appendix C-2**.
- Tab 10** can be used for any additional information to support bid.

2.

#### Pumped Storage Agreement

- PSH bids shall provide the information requested in **tabs 1 and 5** in the **Appendix C-2**.
- Tab 10** can be used for any additional information to support bid.

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#### Build-Transfer Agreement

- For renewable BTA, bidders shall complete **tabs 1, 2 and 6** in the **Appendix C-2**.
- For non-renewable BTA, bidders shall complete **tabs 1, 6, 7, 8, and 9** in the **Appendix C-2**.
- Tab 10** can be used for any additional information to support bid.

4. Operating Expenses: Please provide complete information on the following, including any assumptions made on a forward basis (e.g., escalation rates):
- Warranty Period and Characteristics for the overall project and the major equipment.
  - Annual O&M – Facilities, \$ per year.
  - Annual O&M - Substation/Interconnection, \$ per year.
  - Auxiliary services electric energy costs, \$ per year.
  - Land Lease costs (describe), \$ per year.
  - Royalty payments (describe), \$ per year and/or \$/MWh.
  - Property Tax.
    - a. Expected Rate %
    - b. Rate Escalation %
    - c. Initial Cost Assessed Value \$000
    - d. Replacement Cost Escalation %
    - e. Depreciation Method
  - Any property in lieu of taxes (PILOT) or other grants.

**Additional Information**

Bidder should provide any other information considered to be germane to PacifiCorp's analysis of bidder's submittal.



**APPENDIX C-2**

**Bid Summary and Pricing Input Sheet**

(Provided as separate electronic spreadsheet)

## APPENDIX C-3

### ~~Third Party~~ Energy Performance Report

Bidder must provide the expected performance of the resource as it varies with ambient conditions and other factors that will impact the performance of the resource. To the extent pricing, capability and/or availability vary based on specific characteristics of the facility and/or ambient conditions, the bidder must clearly identify that relationship in tabular form. The energy performance report should be prepared by an independent third party or in the alternative, bidders can provide an in-house energy performance report subject to PacifiCorp being able to replicate the results.

The energy performance report should detail how it was prepared and also contain the following as applicable for wind and solar:

- All BTA bid submittals must include a minimum of two years of on-site meteorological tower data, converted to an estimated MWh of production on an hourly time scale. PacifiCorp will accept two years of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA and BTA bids. However, should a solar BTA bidder be selected to the initial shortlist, to remain on the initial shortlist, bidder must commit to install at least one solar monitoring station on the proposed solar site by November 15, 2020 with the ability to capture solar irradiance data for at least eight months and prior to being considered for the final shortlist. If a solar BTA bidder is selected to the final shortlist, bidder will commit to maintaining at least one on-site solar monitoring station through the entire construction period and provide the solar monitoring station and all collected solar irradiance data to PacifiCorp at BTA closing.
- PPA bid submittals must include a minimum of one year of on-site meteorological tower data or equivalent if solar, converted to an estimated MWh production on an hourly time scale. PacifiCorp will accept one year of solar irradiance satellite data provided from Solargis or SolarAnywhere in lieu of on-site solar panel met data for all solar PPA bids.

#### Wind

1. General Site Data
  - a. How was the wind data collected, certified and correlated to the reference points?
  - b. Who provided the wind data analysis service?
  - c. What is reference height, or heights, of the meteorological data?
  - d. How was the wind data adjusted for the turbine hub height?
  - e. What is the estimated wind shear and how was the wind shear calculated?
  - f. What is the accuracy of the wind and energy forecast?
  - g. What is the basis year of the underlying data? Are the references years high, low, or average years?
  - h. How was generation output calculated from the meteorological data?
  - i. Identify the specific de-ratings included in the energy forecast (wind array losses, line losses, blade degradation, site elevation, etc.)?
2. Energy Production Estimate
  - a. Predicted hub height mean wind speed and gross and net energy production for the full project.
  - b. Predicted long-term site air density.
  - c. Turbine power curve employed and description of any adjustments made to the power curve.

- d. Description of methodology employed to calculate energy losses due to array effects
  - e. Clear breakdown of applied energy loss factors.
  - f. Monthly and diurnal pattern of predicted energy production with an explanation of the variation.
  - g. Analysis of the uncertainty associated with the predictions provided in the assessment.
3. Bidders may be asked to provide the following:
- a. Site Wind Data
    - i. Raw hourly or ten-minute wind speed and direction data.
    - ii. Description of equipment used to record data.
    - iii. Calibration certificates for equipment.
    - iv. Conversion factors (e.g. m/s per Hz) applied in recording wind speeds.
    - v. Maintenance records for the monitoring equipment.
    - vi. Location, height and orientation relative to mast of all sensors.
  - b. Reference Wind Data
    - i. Hourly or ten-minute wind speed and direction data.
    - ii. Description of equipment used to record data.
    - iii. Calibration certificates for equipment.
    - iv. Maintenance records for the monitoring work.
    - v. Location, height and orientation relative to mast of all sensors.
  - c. Wind Project Information
    - i. Layout of wind project turbine array using latitude and longitude co-ordinates.
    - ii. Detailed topographic maps of project area with all mast and turbine locations.
  - d. Verification and Analysis
    - i. Details of instrument configurations and measurement periods for each site mast and reference station.
    - ii. Summary of mast maintenance records and explanations for significant periods of missing data.
    - iii. Data recovery rates and measured monthly means for masts employed in the assessment.
  - e. Prediction of Wind Regime
    - i. Description of methodology employed to adjust measured wind speeds on site to the long-term.
    - ii. Correlation plots and coefficients for relevant correlations in the assessments.
    - iii. Predicted long-term mean wind speeds at measurement heights and hub height at all masts employed in the assessment.
    - iv. Annual wind speed and direction frequency distribution for long-term site masts.
    - v. Plot of annual wind rose for long-term site masts.
    - vi. Description of methodology employed to extrapolate mean wind speeds at measurement heights to hub height.
  - f. Prediction of Wind Speed Variations
    - i. Description of methodology employed to predict wind speed variations across the site.
    - ii. Details of wind flow modeling employed and any inputs to the model (where applicable).

#### **Solar**

Solar bids should address the following:

1. How was the resource data collected, certified and correlated to the reference points?

2. Who provided the data analysis service?
3. What is the accuracy of the raw data for the resource and energy forecast?
4. Was a typical weather year (highly preferred), an average year, or a specific weather year (i.e. 2016) used as the basis of the energy analysis for the project? If a specific weather year or an average of weather years was used, are the reference years high, low, or average years?
5. How the generation output was calculated from the meteorological and solar insolation data.
6. Identify the specific de-ratings included in the energy forecast (i.e., soiling, mismatch, wiring, inverter, transformation losses, etc.)?

### **Geothermal**

Geothermal bids should address the following:

1. Minimum of one production well and one injection well flow results to support the viability and capacity of geothermal resource. For results in excess of three (3) years, summarize the results for all years and provide the detail for the past three (3) years of production well flow tests.
2. Summary of all collected geothermal data for the proposed generating facility site.
3. Characterization the geothermal resource quality, quantity and projected production levels.
4. Graph or table that illustrates the annual and monthly projection of geothermal resources.
5. Description of any other existing geothermal facilities in the resource area and characterize their production and their anticipated impact, if any, on the generating facility.

### **Biomass and Biogas**

Biomass and biogas bids should address the following:

1. Fuel makeup and its source.
2. Third-party resource assessment reports of available fuel for the generating facility and its proximity to the generating facility. Such resource assessments should include a discussion of long-term fuel price risk and availability risk issues.
3. Identify competing resource end-uses.
4. Provide a plan for obtaining the fuel, including a transportation plan.
5. Identify any contracts or option agreements to acquire and transport the fuel.
6. Provide an agreement or option agreement with a fuel source for a period of ten (10) years or greater.

## APPENDIX D

### Bidder's Credit Information

Please provide the following information with Appendix B-1 - Intent to Bid Form to enable PacifiCorp to evaluate the financial viability of the bidder and any entity(ies) providing credit assurances on behalf of the bidder, if applicable.

#### Bidder's Credit Information

1. Credit information for bidder
  - a. Exact legal name and address of bidder.
  - b. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a debt rating is unavailable). Please indicate type of rating, rating, and source.
  - c. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.
  - d. Identify pending legal disputes (describe).
  - e. Please state whether bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.
  - f. If bidder is unable to provide audited financial statements or is relying upon another entity(ies) to provide credit assurances on its behalf, bidder must indicate so here and complete the following section.
    - i. Is bidder unable to provide audited financial statements?
    - ii. Is bidder relying upon another entity(ies) to provide credit assurances on bidder's behalf?
  - g. Bidder should demonstrate its ability and/or the ability of its credit support provider to provide the required security, including its plan for doing so including type of security, sources of security, and a description of its credit support provider.
  - h. Bidder should provide a reasonable demonstration of its ability to finance the proposed project based on past experience and a sound financial plan identifying the proposed sources for debt and equity and evidence that the project is financeable.
2. Credit information for entity(ies) providing credit assurances on behalf of bidder (if applicable)
  - a. Exact legal name and address of entity(ies) providing credit assurances on behalf of bidder.
  - b. Describe relationship to bidder and describe type of credit assurances to be provided (e.g., parental guaranty, cash deposit, or a letter of credit from an acceptable financial institution). Bidder must provide to Company a letter ~~of commitment acceptable to~~ Company from the entity(ies) providing the credit assurances on behalf of the bidder executed by an authorized signatory and indicating ~~their~~ amount and form of credit assurances it will provide. It should be noted that more than one commitment letter, or more than one form of commitment letter, may be necessary.
  - c. Debt Ratings from S&P and/or Moody's (please provide senior unsecured long term debt rating (or corporate rating if a senior unsecured long term debt rating is unavailable). Please indicate type of rating, rating, and source:
  - d. Please attach copies of audited financial statements (including balance sheet, income statement, and cash flow statement) for the three most recent fiscal years.

- e. Describe any pending legal disputes.
- f. Please state whether entity(ies) providing credit assurances on behalf of the bidder is or has within the past five (5) years been the debtor in any bankruptcy proceeding.

#### **Credit Requirements**

The bidder may be required to post credit assurances for the applicable bid categories of Power Purchase Agreement (PPA) or Build Transfer Agreement (BTA), each of which will be expected to have a commercial operation date of no later than December 31, 2024. PacifiCorp will require a letter from the entity providing financial assurances at the bid submittal stating that it will provide financial assurances on behalf of the bidder.

If necessary, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. PacifiCorp will require each bidder to provide an acceptable commitment letter(s), if applicable, twenty (20) business days after the bidder is notified that the bidder has been selected for the Initial Shortlist. Bidder will be required to provide any necessary guaranty commitment letter from the entity(ies) providing guaranty credit assurances on behalf of the bidder and/or any necessary letter of credit commitment letter from the financial institution providing credit assurances in the form of a Letter of Credit. Forms of commitment letters are part of this **Appendix D**. The timing of when credit security must be posted is detailed in the Credit Security Requirements Methodology section, which is also part of this **Appendix D**.

#### **Amount of Credit Assurances to be Posted**

The RFP selected resources have the potential to expose PacifiCorp and its ratepayers to credit risk in the event a selected bidder is unable to fulfill its obligations pursuant to the terms of an executed agreement. The credit risk profile is a function of several factors:

1. Type of resource agreement.
2. Size of resource.
3. Expected energy delivery start date.
4. Term of underlying contract.
5. Creditworthiness of bidder and bidder's credit support provider, if applicable.

In addition, please note that a financial institution providing credit assurances on behalf of the bidder must be a major U.S. commercial bank and have at all times a Credit Rating of at least 'A' and 'A2' from S&P and Moody's, respectively, and have assets (net of reserves) of at least \$10,000,000,000. Should the financial institution providing credit assurances on behalf of the bidder fail to meet these minimum requirements PacifiCorp will require credit assurances from a replacement financial institution that does meet the requirements.

The Credit Rating is defined as the lower of: x) the most recently published senior, unsecured long term debt rating (or corporate rating if a debt rating is unavailable) from Standard & Poor's (S&P) or y) the most recently published senior, unsecured debt rating (or corporate rating if a debt rating is unavailable) from Moody's Investor Services. If option x) or y) is not available, the Credit Rating will be determined by the Company through an internal process review utilizing a proprietary credit scoring model developed in conjunction with a third party. All bidders will receive a Credit Rating which will be used in determining the amount of any credit assurances to be posted.

#### Power Purchase Agreement and Battery Storage Agreement

For PPAs and BSAs, PacifiCorp views its potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2024 or the bidder failed at any time during the life of the contract. The potential for this cost to change is greater for this resource group due to the term of the underlying contract. PacifiCorp will hold any credit security for a longer period, due to the length of the contract. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size, to be provided at contract execution. The amount of credit assurances required will be reduced to **\$100.00/kW** upon the project achieving commercial operation date and will be held until the agreement expires.

#### Build Transfer Agreement

For all resources that involve a physical asset with appropriate step-in rights, PacifiCorp views potential credit exposure as the cost it would incur in the event the resource failed to reach commercial operation by December 31, 2024. If the failure occurred near the expected commercial operation date, PacifiCorp would also potentially have to procure energy and other environmental attributes associated with the energy in the open market at then-prevailing market prices. PacifiCorp has determined the amount of credit assurances required for these types of transactions as **\$200.00/kW**, based upon nameplate project size. The credit assurance requirement will be terminated upon the project achieving commercial operation date with proven production tax credit eligibility of all wind turbine generators.

For PPAs, BSAs, and BTAs, PacifiCorp will also explore with a bidder, if selected, other commercial avenues to reduce security requirements, such as, but not limited to, reduction in security amounts as project development milestones met, a stipulated acceleration of commercial operation date(s) (i.e., prior to October 2024) or PacifiCorp's review of bidder's underlying third party contractual terms, provisions and/or incentives that further support bidder achieving commercial operations prior to December 31, 2024.

#### **Posting of Credit Security**

Terms and conditions for the posting of security are set forth in the applicable pro-forma documents or termsheet which as noted above can be negotiated relative to milestones and amounts. If applicable, the bidder will be required to demonstrate the ability to post any required credit assurances in the form of a commitment letter from a proposed guarantor or from a financial institution that would be issuing a Letter of Credit. Forms of commitment letters are a part of this **Appendix D**.

#### **PacifiCorp Security**

Please note that PacifiCorp will not post security to support its obligations under any definitive agreement. Bidders who will require such security from PacifiCorp should not submit a proposal under this RFP.

## FORM OF GUARANTY COMMITMENT LETTER

(Must be on letterhead of bidder's guarantor)

PacifiCorp  
825 NE Multnomah Street, Suite 600  
Portland, OR 97232  
Attn: Credit Department

To Whom It May Concern:

[NAME OF GUARANTOR] ("Guarantor") is [INSERT RELATIONSHIP TO BIDDER] ("Bidder").

In connection with Bidder's submittal in PacifiCorp's 2020AS Request for Proposals ("RFP"), this commitment letter contains Guarantor's assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, Guarantor will at that time issue an unconditional guaranty in form and substance reasonably satisfactory to PacifiCorp, and that Guarantor will guarantee all obligations of payment and performance of Bidder to PacifiCorp as Guarantor's independent obligation (up to a maximum amount of \$\_\_\_\_\_, plus expenses of enforcing the guaranty).

Guarantor understands that PacifiCorp will not enter into a transaction with Bidder without said guaranty. Guarantor further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of committing guarantor)  
(name and title of authorized officer)



**FORM OF LETTER OF CREDIT COMMITMENT LETTER**

(Must be on letterhead of entity(ies) providing the letter of credit on behalf of the bidder)

PacifiCorp  
825 NE Multnomah Street, Suite 600  
Portland, OR 97232  
Attn: Credit Department

To Whom It May Concern:

In connection with Bidder's submittal in PacifiCorp's 2020AS Request for Proposals ("RFP"), this commitment letter contains [ISSUING BANK]'s assurance to PacifiCorp that, should PacifiCorp enter into a transaction with Bidder arising out of any bid submitted by Bidder in the RFP, with terms and conditions mutually acceptable to PacifiCorp and Bidder, [ISSUING BANK] will at that time issue an irrevocable standby letter of credit in form and substance reasonably satisfactory to PacifiCorp, up to a maximum amount of \$\_\_\_\_\_.

[ISSUING BANK] understands that PacifiCorp will not enter into a transaction with Bidder without said letter of credit. [ISSUING BANK] further understands that PacifiCorp is under no obligation to enter into any transaction with Bidder, under the RFP or otherwise.

Yours truly,

(name of entity(ies) providing the letter of credit)  
(name of authorized officer)

## APPENDIX E-1

### PPA, BSA, and PSH Instructions to Bidders

#### PPA and BSA Bid Checklist

Each bidder must provide complete information as requested and described in **Appendix B-2 Instructions and Information Required in Bid Proposals**. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the PPA and BSA bid submittal.

A	B	C
	2020AS RFP Bid Applicability	Bid must include completed Appendix
Appendix A	Resource Technical Specification	
Appendix A-3	Permit-Matrix	X
Appendix A-5	Project One-Line Drawing and Layout	X
Appendix A-6	Division of Responsibility	
Appendix A-7	Owner Standards and Specification	
Appendix A-9	Product Data- Equipment Supply Matrix	X
Appendix A-10	Plant Performance Guarantee/Warranties	
Appendix B-1	Intent to Bid Form as submitted	X
Appendix B-2	Information Required in Bid Proposal	X
Appendix C-1	Bid Summary and Pricing Input Sheet instructions	
Appendix C-2	Bid Summary and Pricing Input Sheet	X
Appendix C-3	Third-Party Energy Performance Report	X
Appendix E-1	PPA Instructions to Bidders	
Appendix E-2	Redline to PPA and exhibits	X
Appendix E-3	Redline to BSA and exhibits, if applicable	X
Appendix E-4	Redline to PSH Termsheet	X
Appendix F-1	BTA Instructions to bidders	
Appendix F-2	Redline to BTA Term Sheet	
Appendix G-1	Confidentiality Agreement	X
Appendix J	PacifiCorp Transmission Waiver	X
Appendix K	General Services Contract-O&M Services	

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## **Appendix E-2**

### **Power Purchase Agreement (PPA) Documents Including PPA Appendices**

**[INCLUDED AS A SEPARATE ATTACHMENT]**

Appendix E-2 contains two forms of PPAs:

1. PPA for renewable or non-renewable / No BESS: Renewable pertains to wind, solar and other renewables. PPA is footnoted to identify terms and conditions that would be removed to accommodate a non-renewable PPA.
2. PPA for renewable plus BESS.

**Appendix E-3**

**Battery Storage Agreement (BSA) Documents**

**[INCLUDED AS A SEPARATE ATTACHMENT]**

Standalone Battery Storage Termsheet

Appendix E-4

Pumped Storage Hydro (PSH) Documents

[INCLUDED AS A SEPARATE ATTACHMENT]

Pumped Storage Hydro Termsheet

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## APPENDIX F-1

### BTA Instructions to Bidders

#### BTA Bid Checklist

Each bidder must provide complete information as requested and described in **Appendix B-2 Instructions and Information Required in Bid Proposals**. Applicable appendices, forms and attachments are outlined in the Bid Checklist table below that are required in the BTA bid submittal.

A	B	C
	2020AS RFP Bid Applicability	Bid must include completed Appendix
Appendix A	Resource Technical Specification	
Appendix A-3	Permit-Matrix	X
Appendix A-5	Project One-Line Drawing and Layout	X
Appendix A-6	Division of Responsibility	X
Appendix A-7	Owner Standards and Specification	X
Appendix A-9	Product Data- Equipment Supply Matrix	X
Appendix A-10	Plant Performance Guarantee/Warranties	X
Appendix B-1	Intent to Bid Form as submitted	X
Appendix B-2	Information Required in Bid Proposal	X
Appendix C-1	Bid Summary and Pricing Input Sheet instructions	
Appendix C-2	Bid Summary and Pricing Input Sheet	X
Appendix C-3	<del>Third Party Energy</del> Energy Performance Report	X
Appendix E-1	PPA Instructions to Bidders	
Appendix E-2	Redline to PPA and exhibits	
Appendix E-3	Redline to BSA and exhibits, as applicable	
Appendix E-4	Redline to PSH Termsheet	
Appendix F-1	BTA Instructions to bidders	
Appendix F-2	Redline to BTA Term Sheet	X
Appendix G-1	Confidentiality Agreement	X
Appendix J	PacifiCorp Transmission Waiver	X
Appendix K	General Services Contract-O&M Services	X

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**APPENDIX F-2**

**Build Transfer Agreement (BTA) Documents**

**[INCLUDED AS SEPARATE ATTACHMENTS]**

For the 2020AS RFP, Appendix F-2 is a term sheet with major terms and conditions that will be applicable in the negotiated BTA.

## APPENDIX G-1

### Confidentiality Agreement

#### MUTUAL CONFIDENTIALITY AGREEMENT

This MUTUAL CONFIDENTIALITY AGREEMENT (this "Agreement") is entered into as of the \_\_\_ day of \_\_\_\_\_, 2020 (the "Effective Date"), by and between PacifiCorp, an Oregon corporation ("PacifiCorp"), and \_\_\_\_\_ ("Counterparty").

WHEREAS, Counterparty is submitting a bid in response to PacifiCorp's 2020AS Request for Proposals (the "Bid"), and in connection therewith the parties wish to exchange certain Confidential Information (as hereinafter defined).

NOW, THEREFORE, in consideration of the above and the mutual promises herein contained, the parties hereto agree as follows:

1. Confidential Information. "Confidential Information" means information made available by one party (the "Disclosing Party") to the other (the "Recipient") on or after the Effective Date, that is in a writing marked conspicuously as "CONFIDENTIAL," and is any of the following in relation to the Bid or PacifiCorp's evaluation of the Bid: (a) non-public financial information of the Disclosing Party or its proposed guarantor, if any, (b) the specifics of the price and business terms and conditions of the Bid; or (c) documentation exchanged between the parties pertaining to PacifiCorp's evaluation of the Bid or negotiation with Counterparty on a definitive agreement in relation to the Bid. Confidential Information does not include information which at the time of disclosure: (x) is generally available to the public (other than as a result of disclosure by Recipient), (y) was available to Recipient on a non-confidential basis from a source other than a Disclosing Party not actually known by Recipient to be under a duty of confidentiality to a Disclosing Party, or (z) independently developed by Recipient without reliance on the Confidential Information.

2. Confidentiality; Disclosure.

(a) Until the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, the Confidential Information will be kept confidential by Recipient and will not be used knowingly for any purpose by Recipient other than for the purpose set forth above and Recipient must restrict the dissemination of the Confidential Information to its employees who have a need to see it.

(b) Upon the establishment of a docket or proceeding relating to the Bid before any public service commission, public utility commission, or other agency having jurisdiction over PacifiCorp, Recipient's obligations to Disclosing Party with respect to the Confidential Information will automatically be governed solely by the rules and procedures governing such docket and not by this Agreement.

3. Protective Order. Except as provided in Section 2(b) of this Agreement, if Recipient becomes legally compelled to disclose any Confidential Information, it must provide Disclosing Party with



prompt prior written notice so that Disclosing Party may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, Recipient must (i) furnish only that portion of the Confidential Information which, in accordance with the advice of its own counsel, is legally required to be furnished, and (ii) exercise reasonable efforts to obtain assurances that confidential treatment will be accorded the Confidential Information so furnished. Notwithstanding the foregoing, and without limiting Section 2(b), the parties acknowledge that PacifiCorp is required by law or regulation to report certain information that could embody Confidential Information from time to time, and may do so from time to time without providing prior notice to Counterparty. Such reports include models, filings, and reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as the North American Electric Reliability Corporation, Western Electricity Coordinating Council, Pacific Northwest Utility Coordinating Committee, Western Regional Generation Information System, or similar or successor organizations, or similar or successor forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Information, and may do so without prior notice and use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures.

4. Conduct of Process. Neither PacifiCorp nor Counterparty is under any obligation, and each party is free to elect not to consummate an agreement or to furnish or receive information. Nothing contained in this Agreement will prevent PacifiCorp from negotiating with or entering into a definitive agreement with any other person or entity without prior notice to Counterparty. Until PacifiCorp and Counterparty enter into a definitive agreement, no contract or agreement or other investment or relationship is deemed to exist between them as a result of this Agreement, the issuance of a term sheet, the issuance, receipt, review or analysis of information, the negotiation of definitive documentation, or otherwise, and none of the foregoing may be relied upon as the basis for an implied contract or a contract by estoppel.

5. Intellectual Property Rights. Nothing contained herein grants any rights respecting any intellectual property (whether or not trademarked, copyrighted or patented) or uses thereof.

6. Costs and Expenses. Except as otherwise provided in any other written agreement between the parties, the parties will bear their own costs and expenses, including without limitation fees of counsel, accountants and other consultants and advisors.

7. Remedies. Disclosing Party is entitled to equitable relief, including injunction and specific performance, in the event of any breach hereof, in addition to all other remedies available to it at law or in equity. In no event will any party be liable to the other for punitive or consequential damages for any alleged breach hereof. No failure or delay by a party in exercising any right, power or privilege hereunder will operate as a waiver, nor will any single or partial exercise or waiver of a right, power or privilege preclude any other or further exercise thereof. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF THE PARTIES HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. SUCH WAIVERS WILL SURVIVE THE EXPIRATION OR TERMINATION OF THIS AGREEMENT.

8. Venue and Choice of Law. This Agreement is governed by the laws of the State of Oregon. Any suit, action or proceeding arising out of the subject matter hereof, or the interpretation, performance or breach hereof, will be instituted in any State or Federal Court in Multnomah County, Oregon (the "Acceptable Forums"). Each party agrees that the Acceptable Forums are convenient to it, and each party irrevocably submits to the jurisdiction of the Acceptable Forums, and waives any and all objections to jurisdiction or venue that it may have any such suit, action or proceeding.

9. Miscellaneous. The term of this Agreement is two years from the date hereof. This Agreement constitutes the entire agreement of the parties relating to its subject matter, and supersedes all prior communications, representations, or agreements, verbal or written. This Agreement may only be waived or amended in writing. Notices hereunder must be in writing and become effective when actually delivered. This Agreement may be executed in counterparts, each of which, when taken together, will constitute one and the same original instrument. Neither party may assign or otherwise transfer its rights or delegate its duties hereunder without the prior written consent of the other party, and any attempt to do so is void.

IN WITNESS WHEREOF, the undersigned parties have executed this Mutual Confidentiality Agreement as of the date first written above.

PACIFICORP  
an Oregon corporation

a

\_\_\_\_\_  
\_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**APPENDIX G-2**

**Non-Reliance Letter**

825 N.E. Multnomah  
Portland, Oregon 97232  
(503) 813-5000

Date

[Name]

[Address]

Re: PacifiCorp's 2020AS Request for Proposals Renewable Resources

Dear [ ]:

This letter clarifies PacifiCorp's rights relating to its further evaluation and discussion of your possible involvement with \_\_\_\_\_ ("Counterparty") proposal submitted in response to PacifiCorp's Request for Proposals ("RFP") (collectively with Counterparty's proposal and all matters relating thereto, the "Project") and any subsequent negotiations regarding the terms of any agreement or agreements entered into with you or any other party in connection with the Project. PacifiCorp will agree to enter into further discussions with you only upon your prior acknowledgement of these rights. "You" and similar words (whether or not capitalized) refer to the addressee of this letter, Counterparty, and any Project development entity or other affiliate of the addressee in any way involved in the Project.

PacifiCorp is committed to following a fair process in selecting the winning proposal. However, PacifiCorp reserves the right, in its sole discretion, to terminate the consideration of the Project and any discussions with you or any other parties (such as your lenders) relating to the Project at any time and for any reason without incurring any liability for costs or expenses incurred by you in the course of, or as a result of, your participation in the bidding process or negotiations respecting the Project, including but not limited to any costs or expenses related to or arising from the preparation or submission of your proposal, your legal fees, transmission or environmental studies or reviews, expenses of any third party incurred at your behest, your participation in discussions with PacifiCorp, the Project, or any development costs incurred by you in connection with this process. The submission of a proposal by Counterparty and PacifiCorp's decision to engage in further discussions with you does not constitute acceptance of the Project, and will not obligate PacifiCorp to accept or to proceed further with the Project. The acceptance of any proposal and the commencement of the Project are contingent on a number of factors, including but not limited to financial and creditworthiness considerations, strategic decisions, resource planning, regulatory approvals, and the approval of PacifiCorp's board of directors and/or shareholders. PacifiCorp makes no representation as to the likelihood of Counterparty's proposal being accepted or of the Project being commenced and, if PacifiCorp decides not to accept Counterparty's proposal or the Project, you hereby

fully and forever release and discharge PacifiCorp of all liability whatsoever, whether arising from your alleged reliance on PacifiCorp's acceptance of the Project or any part thereof or whether based upon any other action or claim in tort, contract, promissory estoppel, equity, negligence or intentional conduct, and PacifiCorp will not be liable for any amount of liability or damages, including but not limited to any amounts for incidental, special, consequential or punitive damages.

PacifiCorp reserves the right to engage in discussions with multiple parties simultaneously with respect to this RFP or any other matter, and to accept or reject any type of proposal of any party in its sole discretion. PacifiCorp also reserves the rights to reject all proposals relating to this RFP, and to pursue any other course it deems appropriate, including without limitation the development of a cost-based, self-build alternative.

PacifiCorp will have no obligations to you with respect to the Project unless and until the execution by all applicable parties of one or more definitive written agreements (the "Definitive Agreements") in form and substance satisfactory to the parties entering into such Definitive Agreements and then only to the extent stated therein. No contract will nor will be deemed to exist, whether by estoppel or otherwise, in any other way than execution and delivery (if ever) of the Definitive Agreements. The execution (if any) of any Definitive Agreements would be subject, among other things, to the satisfactory completion of due diligence by such parties as well as the satisfaction of applicable financial, environmental and other regulatory requirements as determined by PacifiCorp. If PacifiCorp selects the Project, then except as specifically set forth in the Definitive Agreements, PacifiCorp will have no obligations to you in the event that the Project or any part thereof is discontinued, cancelled, stopped, or terminated for any reason whatsoever, including without limitation financial or creditworthiness considerations concerning you or any contemplated source of Project-related funds, third-party delay or failure (with PacifiCorp's transmission function constituting a third party for purposes hereof), regulatory restrictions, transmission infrastructure restrictions, environmental or community challenges, or the Project is embargoed, restrained, subject to labor strike or lockout, destroyed, subject to terrorist attack or any other force beyond your control, is incapable of receiving required electricity transmission or network service, or is otherwise rendered impossible to complete by the times set forth in the Definitive Agreements for any other reason, whether your fault or not.

Whether or not the Project is commenced and Definitive Agreements executed, you will be responsible to pay your own fees and expenses, including without limitation legal fees and expenses, incurred in connection with the preparation, discussion and negotiation of the Project as well as the preparation, negotiation, execution and delivery of the Definitive Agreements and any other agreements or documents contemplated thereby, and PacifiCorp will not be responsible for any of those fees and expenses.

If the foregoing is acceptable, please indicate so by executing and dating this letter in the space indicated below.

Sincerely,

PacifiCorp

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ACCEPTED AND AGREED:

***[Insert Name of Party]***

By: \_\_\_\_\_

Name: \_\_\_\_\_

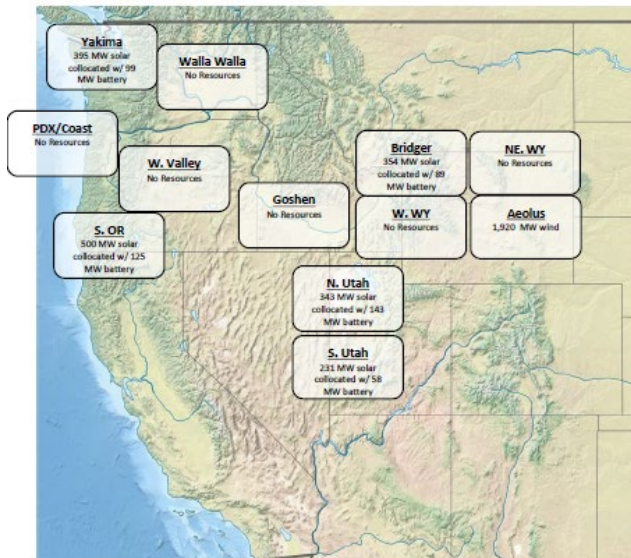
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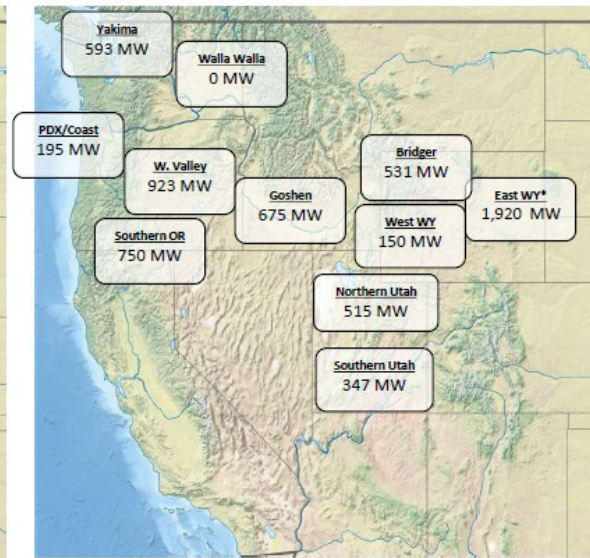
## APPENDIX H

### 2020AS RFP Locational Capacity Limits

2019 IRP Preferred Portfolio Resources Online by Year-End 2023  
(Excludes Customer Preference Resources)



Locational Initial Shortlist Capacity Limits  
(1.5x Pref. Port. or 1.5x Assumed Interconnection Limit)



\*Note, eastern Wyoming includes Aeolus and NE Wyoming, which combined, will be limited to 1,920 MW.

## APPENDIX H-1

### Major Substations associated with Locational Capacity Limits

Matrix identifies the major substations that are associated with the Locational Capacity Limits in Appendix H. Some areas could be subject to additional transmission constraints during the IRP modeling process that may require further evaluation in consultation with the IE depending on bids received. Those are identified in the table notes.

WYOMING		UTAH		OREGON	WASHINGTON
Bridger	East WY	Northern Utah	Southern Utah	Southern Oregon	Walla Walla
Jim Bridger	Aeolus	Ben Lomond	Abajo	Captain Jack	Talbot
	Amasa	Black Rock	Emery	PacifiCorp's Malin 500 kV	Walla Walla
<b>West WY</b>	Bar Nunn	Chappel Creek	Enterprise	Baldwin Road (2)	
Rock Springs	Casper	Chimney Butte	Enterprise Valley	Corral(2)	<b>Yakima</b>
Lima	Dave Johnston	Clover	McFadden	Houston Lake (2)	Sunnyside
Raven	Foot Creek	Craner Flat	Moore	Ponderosa (2)	
West Vaco	Freezeout	Homestead Knoll	Parowan	Stearns Butte (2)	<b>IDAHO</b>
	Heward	Horseshoe	Pavant		<b>Goshen</b>
	Latigo	Lampo	Sigurd	<b>Portland/Coast</b>	Antelope
	Shirley Basin	Limber	Salina	None identified	Goshen
	Standpipe	Mathington	South Milford		Kettle
	Windstar	Mona	Three Peaks	<b>Willamette Valley</b>	
	Yellowtail	Oquirrh	West Cedar	None identified	<b>Borah (1)</b>
		Sage			Populus
		Summit Creek			
		Terminal			<b>MONTANA (3)</b>
		Tooele Depot			Broadview
					Colstrip
					Gordon Butte

#### NOTES

1. Goshen – Borah is a sub-area of Goshen
2. Southern OR - Prineville is a sub-area of Southern OR
3. Montana included based on 2019 IRP topology

## **APPENDIX I**

### **FERC's Standards of Conduct**

As a transmission provider, PacifiCorp is required to comply with FERC's Standards of Conduct which govern interactions between PacifiCorp's Transmission Function and its Marketing Function. Under the Standards of Conduct, PacifiCorp's Transmission Function employees must function independently of PacifiCorp's Marketing Function employees. Marketing Function employees cannot have access to transmission control center or other transmission facilities or information systems that differ in any way from the access provided to non-affiliated transmission customers. The Standards of Conduct prohibit Marketing Function employees from gaining access to any information about PacifiCorp's transmission system that is not posted on the OASIS or otherwise made publicly-available to all other market participants.

Under the Standards of Conduct, FERC will allow certain non-operating employees to be shared between the Transmission Function and Marketing Function. Under FERC's "no-conduit rule", shared employees may receive confidential transmission system or marketing information, but they are prohibited from sharing such information with Marketing Function employees through any non-public or off-OASIS communications.

#### **Market Function Employees**

PacifiCorp has identified the following business groups as Marketing Function Business Units of PacifiCorp:

Energy Supply Management

Energy Trading

Origination

#### **Transmission Function Employees**

PacifiCorp's Transmission Function includes: employees, contractors, consultants or agents of PacifiCorp who conducts transmission system operations or reliability functions, including, but not limited to, those who are engaged in day-to-day duties and responsibilities for planning, directing, or carrying out transmission-related operations.

#### **Shared Employees**

PacifiCorp has identified Integrated Resource Planning, Resource Development, Structuring and Pricing, Contract Administration, Environmental, Credit, Legal and Risk Management as shared employee functions under FERC's Standards of Conduct.

#### **Information Status**

PacifiCorp's Marketing Function (as defined above) will not be involved in a Bidder's transmission interconnection request and integration with the balancing authority area. PacifiCorp's employees will at all times abide by FERC's Standards of Conduct. If an issue arises about compliance with FERC's Standards of Conduct, PacifiCorp's FERC Standards of Conduct Compliance Officer, Colt Norrish at 503-813-5545, should be contacted immediately.



**APPENDIX J**

**PacifiCorp Transmission Waiver**

SELLER AUTHORIZATION TO RELEASE GENERATION DATA TO PACIFICORP

[Interconnection Customer Letterhead]

Transmission Services  
Attn: Director, Transmission Services  
825 NE Multnomah, Suite 1600  
Portland, OR 97232

RE: \_\_\_\_\_ Interconnection Request

Dear Director:

\_\_\_\_\_ hereby voluntarily authorizes PacifiCorp's Transmission business unit to share \_\_\_\_\_'s generator interconnection information and generator meter data with marketing function employees of PacifiCorp, including, but not limited to those in the energy supply management group. \_\_\_\_\_ acknowledges that PacifiCorp did not provide it any preferences, either operational or rate-related, in exchange for this voluntary consent.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**APPENDIX K**

**General Services Contract-Operations & Maintenance Services for Project**

**INCLUDED AS SEPARATE ATTACHMENTS:**

**O&M SERVICES CONTRACT**

**Not required for PPA**

## APPENDIX L

### Non-Price Scoring Matrix

Assigned Bid #:		
PPA or BTA		
Bidder		
Project Name		
County/State		
MW		
<b>Non-Price Factor</b>	<b>Max Score</b>	<b>Bid Score</b>
<b>1. Bid Submittal Completeness</b>	<b>5%</b>	<b>-</b>
Bids provided all required RFP information pursuant to RFP instructions for PPA and BTA, including accuracy of such information including the specific Appendices listed below;	Multiple RFP bid submittal documents missing requested information = 1% One or two RFP bid submittal documents missing requested information = 2% All documents complete = 3%	
• <u>Appendix B-2 Information required in Proposal</u>		
• <u>Appendix C-2 Bid Summary and Pricing Input Sheet</u>		
• <u>Appendix C-3 3rd Party Performance Report including site data</u>		
• <u>Appendix D Bidder's Credit Information</u>		
Bid in compliance with technical or operating specifications as outlined in <b>Appendix A</b> as applicable to resource type and bid structure	Major components out of compliance = 0% Some major components in compliance = 1% All major components in compliance = 2%	
<b>2. Contracting Progression and Viability</b>	<b>5%</b>	<b>-</b>
Bidder provided Appendix E-2 PPA document redline and comments	No written comments or redlines provided, or bid states that redline and comments will be provided upon selection = 0%	
Bidder provided Appendix E-3 battery storage document redline and comments	Completed task of providing either written comments or redlines, but not both = 3%	
Bidder provided Appendix F-2 BTA termsheet redline and comments	Both written comments and redlines provided = 5%	
<b>3. Project Readiness and Deliverability</b>	<b>15%</b>	<b>-</b>
Bidder's development and construction experience related to large energy and/or storage projects including O&M plan and financing plan.	No operating projects = 0% < 300 MW operating projects = 1% ≥ 300 MW operating projects = 2%	
Bids demonstrated site control consistent with PacifiCorp Transmission's Site Control definition.	< 50% under lease or purchase option = 0% Lease option on full site = 2% Lease or purchase for full site = 3%	
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project's environmental compliance, studies, permits such that the December 31, 2024 COD is met (or a potential later date in the case of pump storage hydro resources)	Major studies & permits not started = 0% 50% of major studies & permits complete = 3% 100% of major studies & permits complete = 6%	
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting equipment procurement needs and managing supply chain risks such that the December 31, 2024 COD is met (or a potential later date in the case of pump storage hydro and nuclear resources)	No documentation provided = 0% Detail provided without addressing management of supply chain risks = 1% Detail provided including addressing management of supply chain risks = 2%	
Bid included documentation that projects qualify for and would receive the full or partial value of the federal tax credit as interpreted by applicable guidelines and rules of the Internal Revenue Service at commercial operation.	No documentation = 0% Qualification through construction = 1% Documentation of safe harbor equipment = 2%	
<b>TOTAL</b>	<b>25%</b>	<b>-</b>
Assigned Bid #:		
PPA or BTA		

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<b>Bidder</b>		
<b>Project Name</b>		
<b>County/State</b>		
<b>MW</b>		
	-	-
<b>Non-Price Factor</b>	<b>Max Score</b>	<b>Bid Score</b>
<b>1. Conformity to RFP Requirements</b>	<b>5%</b>	<b>-</b>
Bids provided all required RFP information pursuant to RFP instructions for PPA and BTA, including accuracy of such information including the specific Appendices listed below;	Multiple documents missing = 1% Some documents are incomplete = 2% All documents complete = 3%	
• Appendix B-2 Information required in Proposal		
• Appendix C-2 Bid Summary and Pricing Input Sheet		
• Appendix C-3 3rd Party Performance Report including site data		
• Appendix D Bidder's Credit Information		
Bids in compliance with technical or operating specifications as outlined in Appendix A as applicable to resource type and bid structure	Major components out of compliance = 0% Some major components in compliance = 1% All major components in compliance = 2%	
<b>2. Contract Conformance</b>	<b>10%</b>	<b>-</b>
Bidder provided Appendix E-2 PPA document redline and comments	Bid states that redline and comments will be provided upon selection = 0%	
Bidder provided Appendix E-2 battery storage document redline and comments	Comments provided / No redline = 5%	
Bidder provided Appendix F-2 BTA termsheet redline and comments	Comments and redline provided = 10%	
<b>3. Project Readiness and Deliverability</b>	<b>10%</b>	<b>-</b>
Bidder's development and construction experience related to large energy and/or storage projects including O&M plan and financing plan.	No operating projects = 0% < 300 MW operating projects = 1% ≥ 300 MW operating projects = 2%	
Bids demonstrated site control consistent with PacifiCorp Transmission's Site Control definition.	< 50% under lease or purchase option = 0% Lease option on full site = 1% Lease or purchase for full site = 2%	
Bid provided sufficient detail, including schedule(s) and documentation, to demonstrate the ability of meeting all of the project's environmental compliance, studies, permits, and equipment procurement needs such that the December 31, 2024 COD is met (except for pump storage hydro and nuclear resources)	Major studies & permits not started = 0% 50% of major studies & permits complete = 2% 100% of major studies & permits complete = 4%	
Bid included documentation that projects qualify for and would receive the full or partial value of the federal tax credit as interpreted by applicable guidelines and rules of the Internal Revenue Service at commercial operation.	No documentation = 0% Qualification through construction = 1% Documentation of safe harbor equipment = 2%	
<b>TOTAL</b>	<b>25%</b>	<b>-</b>

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## APPENDIX M

### Role of the Independent Evaluator

1. The general role and function of the Independent Evaluators (“IE”) are outlined as follows. A more detailed description of the IE’s role and function are included in the competitive bidding for Utah and Oregon<sup>3</sup>.
2. The Independent Evaluator will facilitate and monitor communications between PacifiCorp and bidders.
3. Access all important models in order to analyze, operate and validate all important models, modeling techniques, assumptions and inputs utilized by PacifiCorp in the solicitation process, including the evaluation of market bids.
4. Receive market bid responses.
5. Provide input to PacifiCorp on:
  - a. the development of screening and evaluation criteria, ranking factors and evaluation methodologies that are reasonably designed to ensure that the solicitation process is fair, reasonable and in the public interest in preparing a solicitation and in evaluating market bids;
  - b. the development of initial screening and evaluation criteria that take into consideration the assumptions included in the PacifiCorp’s most recent IRP, any recently filed IRP Update, any Commission order on the IRP or IRP Update;
  - c. whether a bidder has met the criteria specified in any bidding process and whether to reject or accept non-conforming bid responses;
  - d. whether and when data and information should be distributed to bidders when it is necessary to facilitate a fair and reasonable competitive bidding process or has been reasonably requested by bidders;
  - e. whether to reject non-conforming bids for any reason or accept conforming changes; and
  - f. whether to return bid fees.
6. Ensure that all bids are treated in a fair and non-discriminatory manner.
7. Monitor, observe, validate and offer feedback to PacifiCorp and the Utah and Oregon Commissions on all aspects of the solicitation and solicitation process, including:
  - a. content of the solicitation;
  - b. evaluation and ranking of bid responses;
  - c. creation of a short list(s) of bidders for more detailed analysis and negotiation;
  - d. post-bid discussions and negotiations with, and evaluations of, shortlisted bidders; and
  - e. negotiation of proposed contracts with successful bidders.
8. Once the competing bids have been evaluated by PacifiCorp and the IEs, PacifiCorp and the IE will compare results.
9. Offer feedback to PacifiCorp on possible adjustments to the scope or nature of the solicitation or requested resources in light of bid responses received.
10. Solicit additional information on bids necessary for screening and evaluation purposes.

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<sup>3</sup> Public Utility Commission of Oregon Docket AR 600, In the Matter of Rulemaking Regarding Allowances for Diverse Ownership of Renewable Energy Resources, Order 18-324, August 30, 2018 and Utah Admin. Code R746-420.

11. Advise the Commissions at all stages of the process of any unresolved disputes or other issues or concerns that could affect the integrity or outcome of the solicitation process.
12. Analyze and attempt to mediate disputes that arise in the solicitation process with PacifiCorp and/or bidders, and present recommendations for resolution of unresolved disputes to the Commissions.
13. Participate in and testify at Commission hearings on approval of the Solicitation and Solicitation Process and/or acknowledgement of the final shortlist.
14. Coordinate as appropriate and as directed by the Commissions with staff or evaluators designated by regulatory authorities from other states served by PacifiCorp.
15. The IEs shall always be included in communications involving PacifiCorp and the bidders as described in Appendix N - PacifiCorp's Organization for RFP Process.
16. The IEs shall prepare reports as defined under Oregon and Utah rules and provide them to the Commissions and PacifiCorp. The final reports shall be provided as soon as possible following the completion of the solicitation process. Final reports shall include analyses of the solicitation, the solicitation process, the PacifiCorp's evaluation and selection of bids and resources, the final results and whether the selected resources are in the public interest.

## **APPENDIX N**

### **PacifiCorp's Organization for RFP Process**

As part of the RFP process, PacifiCorp has identified employees who will be responsible for the evaluation of the bids. The evaluation team will be required to adhere to the self-imposed code of conduct to ensure a fair and unbiased RFP evaluation and selection process.

No members of the evaluation team will have contact or 2020AS RFP-related communication with any bidder unless the IE is included. If any bidder attempts to contact a member of the evaluation team, the evaluation team will only respond if the IE is included.

The evaluation team will be made up of employees from several PacifiCorp departments. Consistent with PacifiCorp's identification of shared employees under FERC's Standards of Conduct,<sup>4</sup> the IRP work group will be treated as a shared resource to perform work for the evaluation team. The IRP work group will not share any information it obtains from either team with the other team and the IRP work group will not share any non-public transmission system information with either team at any point in this process.

The roles and responsibilities of the members of the evaluation team are set forth below. Individuals and titles will be submitted to the IEs upon issuance of the RFP and updated if there changes.

#### **1. Origination**

Members of origination will be responsible for overall coordination of the RFP process, including bid process management for all proposals. Origination will have responsibility to coordinate with the IE and all of the evaluation team. Origination will perform the evaluation of the non-price components of the bid analysis.

#### **2. Structuring and Pricing**

Members of PacifiCorp's structuring and pricing will be responsible for the economic analysis and modeling for the initial shortlist including the validation on the inputs to the risk assessment of the bid.

#### **3. Environmental and Operations**

Environmental, resource development, and operations will be responsible for evaluation of the applicable environmental, siting and facilities permits and other environmental and operational reviews of the project bid.

#### **4. Credit**

Credit will be responsible for credit screening, evaluation and monitoring throughout the entire RFP process.

#### **5. IRP**

Members of PacifiCorp's IRP team will be responsible for the production cost modeling for the initial and final shortlist.

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<sup>4</sup> See Appendix I – FERC Standard of Conduct